

Important Note: The following is an English translation of the Chinese version of the Procedural rules for the Shareholders' General Meeting of Bluestar Adisseo Company.

In case of any discrepancies or inconsistencies between the Chinese and English versions, the Chinese version shall always prevail.

Bluestar Adisseo Company

(2015)

Procedural Rules for the Shareholders' General Meeting

Appendix 1

(Draft for Review)

(Approved on November 23rd, 2015)

These Rules for the Shareholders' General Meeting (the "Rules") were approved at the 1st meeting of the 6th term of Board of Directors convened on October 23rd, 2015 and were reviewed and approved at the 3rd interim Shareholders' General Meeting convened on November 23rd, 2015.

Chapter 1 General Provisions

Article 1 With a view to regulating the practice of Bluestar Adisseo Company (the "**Company**") and ensuring the exercise of functions and power by the shareholders' general meeting pursuant to law, the Rules are formulated pursuant to 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 Stocks on Shanghai Stock Exchange, the Rules for the Shareholders' General Meeting of Listed Companies (Amended in 2014 for the Second Time), other relevant laws and administrative regulations, and the Article of Association of Bluestar Adisseo Company (the "**AOA**").

Article 2 The Company shall convene a shareholders' general meeting in strict compliance with laws, administrative regulations, the Rules and the AOA, and ensure that its shareholders can exercise their rights pursuant to law, facilitate shareholders' exercising rights and fully protect the legitimate rights of shareholders (especially the retail shareholders).

The Board of Directors of the Company shall properly perform its duties, and properly organize the shareholders' general meetings on schedule. All directors of the Company shall exercise due diligence obligation and ensure the smooth convening of the shareholders' general meeting and exercise of functions and powers thereby pursuant to law.

Article 3 The shareholders' general meeting of the Company shall perform its functions and powers within the scope stipulated in the Company Law and the AOA.

Article 4 Shareholders' general meetings are divided into annual shareholders' general meetings and extraordinary shareholders' general meeting. An

annual shareholders' general meeting shall be convened once a year within six (6) months following the end of the previous fiscal year. An extraordinary shareholders' general meeting may be convened on an irregular basis, and shall be convened within two (2) months following the occurrence of following circumstances:

- (1) The number of directors is less than two-thirds ($2/3$) of the quorum stipulated by the Company Law or the AOA;
- (2) The uncovered losses exceed one-third ($1/3$) of the Company's actual paid-up capital;
- (3) Shareholders, individually or jointly holding more than 10% of the Company's shares, propose to hold an extraordinary meeting;
Under this circumstance, the number of shares held by shareholders should be calculated based on the record upon the conclusion of the date when the written proposal of holding the meeting is made.
- (4) The Board of Directors considers it necessary to hold such a meeting;
- (5) The Board of Supervisors proposes to hold such a meeting; and
- (6) Other circumstances regulated in laws, administrative regulations, departmental rules or the Articles of Association.

Where the Company cannot convene a shareholders' general meeting within the aforesaid time limit, it shall report the case to the local branch of the China Securities Regulatory Commission (the "CSRC") where the Company is registered and the Shanghai Stock Exchange (the "Stock Exchange"), explain the reasons therefore and make an announcement.

Article 5 To convene a shareholders' general meeting, the Company shall engage lawyers to issue legal opinions on the following issues, and make announcements:

- (1) whether the procedures for convening and holding the shareholders' general meeting comply with laws, administrative regulations, the Rules, and the AOA;
- (2) whether the qualifications of attendees and conveners are legal and effective;
- (3) whether the voting procedures and results of the shareholders' general meeting are legal and effective; and
- (4) legal opinions on other issues as required by the Company.

Chapter 2 Functions and Powers of the Shareholders' General Meeting

Article 6 The shareholders' general meeting is the Company's organ of authority, and exercises the following functions and powers in accordance with the law:

- (1) To decide the business plan and investment plan of the Company;
- (2) To elect and replace the directors and supervisors who are not representatives of the staff, and determine matters relating to the remuneration of the directors and supervisors;
- (3) To examine and approve the reports of the Board of Directors;
- (4) To examine and approve the reports of the Board of Supervisors;
- (5) To examine and approve the Company's annual financial budget and final accounts;
- (6) To examine and approve the Company's profit-distribution and loss-covering plans;
- (7) To pass resolutions on the Company's increase or decrease of registered capital;
- (8) To pass resolutions on the issuance of corporate bonds;
- (9) To pass resolutions on the Company's merger, division, dissolution, liquidation or change of form;
- (10) To amend the AOA;
- (11) To pass resolutions on the Company's employment and dismissal of accounting firms;
- (12) To examine and approve the provisions of guarantees under Article 7;
- (13) To examine matters relating to the purchase and sale of the Company's material assets within the past year, which exceed 30% of the Company's audited total assets for the latest period;
- (14) To examine, approve the change of the usage of the fund raised;
- (15) To examine the equity incentive plan; and
- (16) To examine other matters determined at the shareholders' general meetings, as regulated in laws, administrative regulations, departmental rules or the AOA.

Article 7 Any of the following ~~external~~ guarantees provided by the Company shall be deliberated and approved by the shareholders' general meeting:

- (1) Any external guarantees provided by the Company if the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's audited net assets for the latest period;
- (2) Any external guarantees provided by the Company if the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets for the latest period;
- (3) Any external guarantees provided to a guarantee object whose asset-liability ratio exceeds 70%;
- (4) Any single guarantee whose amount exceeds 10% of the audited net asset for the latest period;
- (5) Any external guarantees, if the total amount of which calculated based on a cumulative basis within consecutive twelve(12) months, provided by the Company, has exceeded 50% of the Company's audited net assets for the latest period and such total amount is more than RMB 50million;
- (6) Any guarantees provided to the Company's shareholders, actual controllers or their related parties; and
- (7) Other guarantees requiring approval by the shareholders' general meeting as stipulated by Stock Exchange.

Article 8 The functions and powers of the shareholders' general meeting mentioned above in Article 6 and Article 7 shall not be delegated to the Board of Directors or other institutions and individuals.

Chapter 3 Convening of the Shareholders' General Meetings

Article 9 The Board of Directors of the Company shall convene a shareholders' general meeting on schedule within the time limit as prescribed in Article 4 of the Rules.

Article 10 An independent director of the Company may propose to convene an extraordinary shareholders' general meeting to the Board of Directors of the Company. The Board of Directors shall, pursuant to laws, administrative regulations and the AOA, present written feedback

opinions as to approve or disapprove such proposal within ten (10) days after receipt thereof.

If the Board of Directors approves the convening of the extraordinary shareholders' general meeting, it shall issue a notice thereof within five (5) days after its resolution thereon; in case of disapproval, it shall state the reasons therefore and make an announcement.

Article 11 The Board of Supervisors of the Company may propose the convening of an extraordinary shareholders' general meeting to the Board of Directors, and shall so propose in writing. The Board of Directors shall, pursuant to laws, administrative regulations and the AOA, present written feedback opinions as to approve or disapprove the convening of an extraordinary shareholders' general meeting within ten (10) days after receipt of the proposal.

If the Board of Directors approves the convening of the extraordinary shareholders' general meeting, it shall issue a notice thereof within five (5) days after its resolution thereon, and any change to the proposal in such notice shall be subject to the approval of the Board of Supervisors.

In the event that the Board of Directors disapproves the convening of the extraordinary shareholders' general meeting, or fails to present a written feedback within ten (10) days after receipt of the proposal, it shall be deemed as the inability or failure of the Board of Directors to perform the duties of convening a meeting of the shareholders' general meeting, and the Board of Supervisors may convene and preside over the same at its own discretion.

Article 12 The shareholders individually or collectively holding 10% or more of shares of the Company concerned may request the Board of Directors of the Company to convene an extraordinary shareholders' general meeting, and shall so propose in writing to the Board of Directors. The Board of Directors shall, pursuant to laws, administrative regulations and the AOA, present written feedback opinions as to approve or disapprove the convening of an extraordinary shareholders' general meeting within ten (10) days after receipt of the request.

If the Board of Directors approves the convening of the extraordinary shareholders' general meeting, it shall issue a notice thereof within five (5) days after its resolution thereon, and any change to the request in such notice shall be subject to the approval of shareholders concerned.

If the Board of Directors disapproves the convening of the extraordinary shareholders' general meeting, or fails to present any feedback within ten (10) days after receipt of the request, shareholders individually or collectively holding 10% or more of shares of the Company may propose the convening of an extraordinary shareholders' general meeting to the Board of Supervisors, and shall so propose in writing to the Board of Supervisors.

If the Board of Supervisors approves the convening of the extraordinary shareholders' general meeting, it shall issue a notice thereof within five (5) days after receipt of the request, and any change to the request in such notice shall be subject to the approval of shareholders concerned.

If the Board of Supervisors fails to issue the notice regarding the convening of the shareholders' general meeting within the prescribed time limit, it shall be deemed as the Board of Supervisors' failure to convene and preside over the shareholders' general meeting, and shareholders individually or collectively holding 10% or more of shares of the Company for ninety (90) consecutive days may convene and preside over the same at their own discretion.

Article 13 Where the Board of Supervisors or shareholders of the Company decide to convene a shareholders' general meeting at the discretion thereof, it/they shall notify in writing the Board of Directors of the Company, and file for record the same with the local branch of the CSRC where the Company is registered and Shanghai Stock Exchange.

The percentage of shareholding of shareholders convening a shareholders' general meeting shall be not less than 10% prior to date of the announcement of the resolution of the shareholders' general meeting.

The Board of Supervisors and shareholders convening a shareholders' general meeting shall, upon the issuance of notice of the shareholders' general meeting and announcement of the resolution of the shareholders' general meeting, submit relevant supporting documents to the local branch of the CSRC where the Company is registered and Shanghai Stock Exchange.

Article 14 The Board of Directors and secretary thereof shall cooperate in a shareholders' general meeting convened by the Board of Supervisors or shareholders at the discretion thereof. The Board of Directors shall provide the register of shareholders of the date of record. In case that the Board of Directors fails to provide the register of shareholders, the conveners may ask for the same from the securities registration and clearing institution concerned on the strength of relevant announcements regarding the convening of the shareholders' general meeting. The conveners shall not use the register of shareholders for purposes other than the convening of the shareholders' general meeting.

Article 15 The necessary expenses of a shareholders' general meeting convened by the Board of Supervisors or shareholders of the Company at the discretion thereof shall be borne by the Company.

Chapter 4 Proposal and Notice of the Shareholders' General Meeting

Article 16 The contents of any proposal shall fall within the scope of functions and powers of a shareholders' general meeting, have definite subjects and concrete decision items, and comply with relevant provisions of laws, administrative regulations and the AOA.

Article 17 At the shareholders' general meeting held by the Company, the Board of Directors, the Board of Supervisors, or the shareholders individually or jointly holding more than 3% of the Company's shares shall have the right to bring forward proposals to the Company.

Shareholders individually or collectively holding 3% or more of shares of the Company may put forward an interim proposal and submit the same in writing to the conveners within ten (10) days before the

convening of a shareholders' general meeting. Conveners shall issue a supplementary notice of the shareholders' general meeting within two (2) days after receipt of the proposals to announce the contents of such interim proposals.

In addition to the provision in the preceding paragraph, conveners shall not, after the issuance of the notice of the shareholders' general meeting, modify the proposal stated in such notice, nor put forward a new proposal.

The shareholders' general meeting shall not vote on any proposal not stated in the notice or not in compliance with Article 16 of the Rules, and shall not adopt a resolution on such proposal.

Article 18 If a proposal involving investment, property disposal, purchasing and merger, etc. is brought forward, the details of such matters shall be sufficiently described, including the amount involved, the price (or pricing method), the book value of assets, the influences on the Company, the review and approval status, etc. If it's necessary to carry out an asset appraisal, audit, or provide an independent financial consulting report according to related regulations, the person or institution bringing forward the proposal shall publicize the asset appraisal status, audit result or independent financial consulting report at least five (5) working days ahead of the shareholders' general meeting.

Article 19 If a proposal on changing the purpose of raised fund is brought forward, the proposal shall indicate the reasons thereof, the general situation of the new project, and the future influences on the Company.

Article 20 After deliberating and passing the annual report, the Board of Directors shall form resolutions on the profit distribution plan, which shall be taken as a proposal at the shareholders' general meeting.

Article 21 When bringing forward the proposal on converting capital reserve into capital stock, the Board of Directors shall specify the reasons for conversion in detail and disclose them in the announcement.

When announcing the plan for distributing shares or converting capital reserve into capital stock, the Board of Directors shall disclose the comparative earnings per share and net assets per share before and after conversion, and the influences on the Company's future development.

Article22 The proposal on the employment of Certified Public Accounting Firm shall be brought forward by the Board of Directors, and voted through by the shareholders' general meeting. When the shareholders' general meeting votes on the dismissal of Certified Public Accounting Firm, the Certified Public Accounting Firm shall have the right to state its opinions thereto.

If the Certified Public Accounting Firm proposes to quit, it shall state to the shareholders' general meeting whether or not there is anything improper in the Company in written form or by dispatching personnel to attend the shareholders' general meeting.

Article23 Conveners shall notify all the shareholders by means of announcements **twenty (20) days** before the convening of an annual shareholders' general meeting or **fifteen (15) days** before the convening of an extraordinary shareholders' general meeting.

The starting period of the aforesaid date calculated shall exclude the very day when the meeting is held, but include the very day when the announcement is made.

Article 24 It is required to fully disclose the concrete contents of all the proposals and all the materials or explanations necessary for shareholders to make reasonable judgments on items to be discussed in the notice and supplementary notice of a shareholders' general meeting. If opinions of independent directors are necessary for items to be discussed, such opinions and reasons therefore shall be simultaneously disclosed in the notice or supplementary notice of the shareholders' general meeting.

Article 25 Where the election of directors or supervisors is to be discussed in a shareholders' general meeting, the detailed information of candidates of directors or supervisors shall be fully disclosed in the notice of the shareholders' general meeting, including the following contents at least:

- (1) personal information such as education background, working experience and concurrent post;
- (2) any connection with the Company or the controlling shareholder and actual controller thereof;
- (3) the number of shares of the Company held by the candidates; and
- (4) whether or not the candidate(s) has/ve been subject to penalties by CSRC and other related authorities as well as sanctions by any stock exchange(s).

Each candidate for directors and supervisor shall be put forward in a single proposal, with the exception of the adoption of cumulative voting system.

The name list of candidates for directors and supervisors shall be proposed to the shareholders' general meeting for votes, and the materials meeting the requirements of this Article shall be provided.

Shareholders individually or jointly holding more than 3% of total outstanding voting shares of the Company shall have the right to propose the name list of candidates for directors and supervisors.

The proposer shall provide the resumes and basic information of the candidates for directors and supervisors, as well as related evidential materials. The candidates for directors and supervisors shall make a written commitment before the holding of shareholders' general meeting that they agree to accept the nomination, promising that the materials publicly disclosed of the candidates for directors and supervisors are authentic and complete, and guarantee to practically implement their duties as directors and supervisors after being elected.

Article 26 The notice on the shareholders' general meeting shall include the following contents:

- (1) The time, venue and period of the meeting;
- (2) The matters to be discussed at the meeting;
- (3) A conspicuous statement that: all shareholders are entitled to attend the shareholders' general meeting, and may entrust their proxies to

attend the meeting and participate in voting, and such shareholders' proxies are not definitely the Company's shareholders;

- (4) The equity registration date of shareholders entitled to attend the shareholders' general meeting; and
- (5) The name and telephone number of the standing contact persons in connection with the meeting.

The interval between the equity registration date of shares and the date of the shareholders' general meeting shall not exceed seven (7) working days. The equity registration date of the shareholders' general meeting shall be determined by the convener. The date of record, once determined, shall not be changed.

Article 27 The shareholders' general meeting shall not be postponed or cancelled without proper reasons after the notice thereof is issued, and the proposals stated in said notice shall not be cancelled. In case of postponement or cancellation, conveners shall make an announcement and explanations at least two (2) working days before the originally determined date to convene the shareholders' general meeting.

Chapter 5 Qualification Confirmation of Shareholders Attending the Shareholders' general meeting

Article 28 All the shareholders of the Company and the proxies thereof registered as such on the equity registration date are entitled to attend a shareholders' general meeting, and the Company and conveners shall not reject their attendance with any reason.

Article 29 Shareholders shall attend a shareholders' general meeting on the strength of shareholders' account cards, ID cards or such certificates that can demonstrate their identities. Proxies shall provide shareholders' power of attorney and valid personal identity certificates.

Corporate shareholders shall be represented by their legal representatives or legal representatives' proxy/proxies at the meeting. Legal representatives attending the meeting shall present their personal identity

cards, other effective documents which could prove their qualification as legal representatives, and shareholding credentials; proxies authorized to attend the meeting shall present their personal identity cards, the written power of attorneys provided by corporate shareholders' legal representatives pursuant to law, and shareholding credentials.

Article 30 If a shareholder entrusts a proxy to attend and vote at the meeting, the shareholder shall provide a written power of attorney, which shall be signed by the entrusting shareholder or its proxy/proxies entrusted in writing; if the entrusting shareholder is a corporation, the power of attorney shall be stamped with its corporate seal or be signed by the formally entrusted proxy/proxies.

Article 31 The power of attorney issued by a shareholder to authorize other person to attend the shareholders' general meeting shall clearly state the following contents:

- (1) The name of the proxy/proxies;
- (2) Whether the proxy has the right to vote;
- (3) The instructions to vote for, against or abstain from voting on each of the items in the agenda of the shareholders' general meeting;
- (4) The signing & issuing date and effective period of the power of attorney; and
- (5) The signature or seal of the appointing shareholder; and the legal entity's seal in case the appointing shareholder is a corporate shareholder.

The power of attorney shall specify whether the proxies may vote where the shareholder does not give specific instruction..

Article 32 Where the proxy form is signed by a person under the power of attorney on behalf of the appointer, the power of attorney or the other authorization documents authorized to be signed shall be notarized. A notarial copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other place specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or other person authorized through resolution by the Board of Directors and/or other decision-making organs may attend the shareholders' general meeting as a representative of the appointer.

Article 33 In case the qualification for a shareholder or its proxy/proxies to attend the meeting is confirmed invalid for reason that, the entrusting shareholder's authorization is unclear, or related credentials provided by the proxy/proxies to prove the entrusting shareholder's lawful identity and clientage, etc. don't meet the provisions of laws, administrative regulations and the AOA, the entrusting shareholder or its proxy/proxies shall assume related legal consequences.

If related credentials provided by the personnel attending the meeting fall within one of the following circumstances, the qualification for the personnel to attend this meeting shall be deemed invalid:

- (1) The identity card of the entrusting shareholder or the personnel attending this meeting does not meet the legal regulations on identity card, such as being forged, overdue, altered, incorrect in the figure of identity number, etc.;
- (2) The identity materials submitted by the entrusting shareholder or the personnel attending the meeting cannot be distinguished;
- (3) In case the same shareholder entrusts multiple persons to attend the meeting, the specimens of signatures on power of attorneys are obviously different;
- (4) The specimen of signature on the power of attorney faxed and registered is obviously inconsistent with that on the power of attorney submitted when actually attending the meeting;
- (5) The power of attorney does not bear the signature or seal of the entrusting shareholder; or
- (6) Related credentials submitted by the entrusting shareholder or the proxies attending the meeting on behalf of the entrusting shareholder obviously violate related provisions of laws, administrative regulations and the AOA.

Article 34 The conveners and lawyers shall verify the legality of qualifications of shareholders in line with the register of shareholders provided by securities registration and clearing institutions, and register names of shareholders and the amount of shares with voting rights such shareholders hold. The registration shall be terminated before the presider announces the number of shareholders and proxies and the amount of shares with voting rights they hold.

Article 35 Where the Company holds a shareholders' general meeting, all its directors, supervisors and secretary of the Board of Directors shall be present the shareholders' general meeting, and its managers and other senior executives shall audit the shareholders' general meeting.

Chapter 6 Holding of the Shareholders' General Meeting

Article 36 The Company shall hold a shareholders' general meeting at the place as prescribed in the AOA.

A conference hall shall be arranged for the shareholders' general meeting to be held on the spot. The Company shall, pursuant to laws, administrative regulations and the provisions of the CSRC or the AOA, facilitate the participation of shareholders in the shareholders' general meeting by relying on secure, economical and convenient online approach and other means. Any shareholder who is present at the shareholders' general meeting by the above-mentioned means is deemed as being present in person.

Shareholders may either attend the shareholders' general meeting in person to exercise their voting rights or entrust proxies to attend and exercise the voting rights within the scope of authorization.

Article 37 Where the Company relies on online approach or other means for a shareholders' general meeting, it shall expressly state the voting time and voting procedures in the notices thereof.

The voting at the shareholders' general meeting by online approach or other means shall not begin before 3:00 pm on the day immediately

preceding the convening of the on-site shareholders' general meeting or after 9:30 am on the day of convention thereof, and shall end no earlier than 3:00 pm on the closing date thereof.

Article 38 The Board of Directors and other conveners shall adopt necessary measures to ensure the normal order of a shareholders' general meeting. In case of any acts that interfere with the shareholders' general meeting, cause trouble and encroach upon the shareholders' lawful rights and interests, the board and conveners shall take measures to curb such acts and report the same to the authorities concerned for investigation and punishment.

Article 39 The Company shall compile the register of attendees present at the meeting.

The register shall include the attendees' name (or units' name), ID card number, domicile address, the number of shares with voting powers held or represented, the principals' name (or units' name), etc.

Article 40 The shareholders' general meeting shall be presided over by the chairman of the Board of Directors. If the chairman of the board is unable or fails to perform his duties, the deputy chairman of the board shall preside the meeting; in the event that the deputy chairman of the board is unable or fails to perform his duties, a director shall be elected by a simple majority of the directors to preside the shareholders' general meeting.

The chairman of the Board of Supervisors shall preside over a shareholders' general meeting convened by the said board at its discretion. If the chairman of the Board of Supervisors is unable or fails to perform his duties, the deputy chairman of the Board of Supervisors shall preside over the shareholders' general meeting; in the event that the deputy chairman of the Board of Supervisors is unable or fails to perform his duties, a supervisor shall be elected by a simple majority of the supervisors to preside over the shareholders' general meeting.

A shareholders' general meeting convened by shareholders at their discretion shall be presided over by a delegate elected by shareholders.

In the event that the presider breaks the Rules, thus having the on-going shareholders' general meeting unable to proceed, the shareholders' general meeting may, upon the consent of the majority of the shareholders with voting rights attending the shareholders' general meeting, elect one person to preside over such meeting to be resumed.

Article 41 At an annual shareholders' general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' general meeting concerning the work in the last year, and each independent director shall give a report on the performance of his duties.

Article 42 Except for the Company's business secrets involved which cannot be publicized at the shareholders' general meeting, directors, supervisors and senior executives shall make explanations for the inquiries of shareholders at a general assembly of shareholders.

Article 43 Unless under special circumstances, the presider of a shareholders' general meeting shall announce the holding of the meeting as per the predetermined time, the number of shareholders and proxies attending the shareholders' general meeting and the amount of shares with voting rights they hold, and said number and amount shall be based on the registration for the shareholders' general meetings.

Article 44 The secretary of the Board of Directors is responsible for taking minutes of a meeting of a shareholders' general meeting, the meeting minutes shall include the following contents:

- (1) the time, venue, agenda of the meeting and name of the convener;
- (2) the name of the meeting presider, directors, supervisors, secretary of the Board of Directors, managers and other senior executives attending the vote or attending as non-voting delegates;
- (3) the number of shareholders and proxies present and the percentage of the total shares with voting rights they hold to the total shares of the Company in question;
- (4) the deliberation process, speech summaries and voting results with regard to each and every proposal;

- (5) inquiries or suggestions of shareholders and consequential replies or explanations;
- (6) the name of lawyers, tally clerks and poll watchers; and
- (7) other items that shall be recorded in meeting minutes as prescribed in the AOA in question.

The directors, secretary of the Board of Directors, conveners or delegates thereof and meeting presider shall sign the meeting minutes, and ensure the authenticity, accuracy and integrity of the contents of the meeting minutes. The meeting minutes shall be kept for not less than ten (10) years together with the signature book signed by shareholders present on site, power of attorney for proxies, and the results from the voting through online approach and by other means.

Article 45 The convener of a shareholders' general meeting shall ensure that the shareholders' general meeting shall not end until a resolution is adopted. Where a shareholders' general meeting is terminated or a resolution is unable to be adopted due to special reasons such as force majeure, necessary measures shall be taken to resume such meeting as soon as possible, or the current meeting shall be directly terminated and an announcement made. Meanwhile, the conveners shall report the same to the local branch of the CSRC where the Company is registered and the Shanghai Stock Exchange.

Chapter 7 Voting and Resolutions at Shareholders' General Meetings

Article 46 Resolutions of shareholders' general meetings include ordinary and special resolutions.

An ordinary resolution must be passed by a simple majority of voting rights held by the shareholders (including their proxies) attending the shareholders' general meeting.

A special resolution must be passed by more than two-thirds (2/3) of voting rights held by the shareholders (including their proxies) attending the shareholders' general meeting.

Article 47 The following matters shall be resolved through an ordinary resolution at shareholders' general meetings:

- (1) The work reports of the Board of Directors and the Board of Supervisors;
- (2) The profit-distribution and loss-covering plans formulated by the Board of Directors;
- (3) The appointment and dismissal of the members of the Board of Directors and the Board of Supervisors, their remuneration and methods of payment;
- (4) The Company's annual budget and final accounts;
- (5) The Company's annual reports; and
- (6) Matters other than those required by laws, administrative regulations or the Company's AOA shall be adopted through special resolution.

Article 48 The following matters shall be resolved through a special resolution at shareholders' general meetings:

- (1) The Company's increase or decrease of registered capital;
- (2) The Company's division, merger, dissolution and liquidation;
- (3) The amendment to the AOA;
- (4) The Company's purchase or sale of any material assets or guarantee provided within one year amounting to more than 30% of the Company's audited total assets of the latest period;
- (5) Share option incentive plan;
- (6) Adjustment or change of the profit-distribution policy; and
- (7) Other matters that are regulated in laws, administrative regulations or the AOA, and will have material influences on the Company if being resolved by way of an ordinary resolution, shall be adopted by a special resolution.

Article 49 All shareholders (including their proxies) shall exercise voting rights according to the number of shares with voting rights represented by them, and every share shall be entitled to one vote.

The votes casted by retail investors shall be separately counted when material matters affecting the interests of retail shareholders are being deliberated at a shareholders' general meeting. The results of the separate vote counting shall be publicly disclosed in a timely manner.

The proprietary shares held by the Company bear no voting rights, and shall not be counted in the total amount of shares with voting rights present at the shareholders' general meeting.

The Company's board of Directors, independent directors and shareholders who satisfy relevant conditions may publicly solicit the voting rights of shareholders. Where the voting rights of a shareholder are being solicited, information such as the specific voting intention shall be fully disclosed to the shareholders being solicited. It is prohibited to solicit shareholders' voting rights in a covertly or overtly payable manner. The Company shall not impose restrictions on the minimum percentage of shareholding for solicitation of voting rights.

Article 50 Where shareholders are affiliated with items on the agenda of a shareholders' general meeting, they shall not participate in the voting process, and the shares with voting rights they hold shall not be counted in the total amount of shares with voting rights present thereat. The announcement on the resolutions at the shareholders' general meeting shall sufficiently disclose the voting of non-connected shareholders.

Any connected transaction deliberated at the shareholders' general meeting shall be passed by a simple majority of voting powers held by the shareholders (including their proxies) having voting powers at the shareholders' general meeting.

Article 51 The shortlist of directors and supervisors shall be proposed to the shareholders' general meeting for votes.

Where the election of directors and supervisors is put to the vote in a shareholders' general meeting, the cumulative voting system may be adopted pursuant to the AOA or the resolution of the shareholders' general meeting.

The cumulative voting system as referred to in the preceding paragraph means that upon the election of directors or supervisors in a shareholders' general meeting, voting rights of each share equal the

number of candidates for directors or supervisors, and a shareholder may exercise his voting rights collectively. The Board of Directors shall announce to shareholders the resumes and basic information of the candidates for directors and supervisors.

The shortlist of directors and supervisors shall be proposed to the shareholders' general meeting for votes. The Company's Board of Directors, Board of Supervisors or shareholders individually or jointly holding more than 3% of the shares issued by the Company may nominate the candidates for directors and supervisors. The Company's Board of Directors, Board of Supervisors, or shareholders individually or jointly holding more than 1% of the shares issued by the Company may nominate the candidates for independent directors. The Board of Directors shall, after examining the proposals according to the procedures regulated in laws, regulations and the Articles of Association, submit such proposals to the shareholders' general meeting for deliberation. The intention to nominate candidates for directors and supervisors and written notice expressing candidates' willingness to accept nomination shall be submitted to the Company seven (7) days ahead of the holding of the shareholders' general meeting.

Article 52 All the proposals shall be put to vote item by item at a shareholders' general meeting, with the exception of the cumulative voting system. The shareholders' general meeting shall give a reasonable time to discuss every topic. In case of different proposals with regard to the same item, the voting process shall be conducted in sequence of proposing time. The shareholders' general meeting shall neither suspend nor does not proceed the voting on proposals, provided that it is terminated or a resolution is unable to be adopted due to special reasons such as force majeure.

Article 53 The shareholders' general meeting shall not modify a proposal in the course of deliberating such proposal; otherwise, any modification shall be deemed a new proposal and shall not be voted on the current shareholders' general meeting.

Article 54 For the same voting right, only one of the on-site, online and other voting systems may be opted. In case of repetitive voting in the name of the same voting right, the first voting result shall prevail.

Article 55 The shareholders' general meetings adopt open vote.

Article 56 The shareholders' general meeting shall, prior to the voting on proposals, elect two shareholder representatives to participate in the counting and scrutinizing of ballots. In case of any connection between a shareholder and items on the agenda, the shareholder and his/its proxy shall not participate in the counting and scrutinizing of ballots.

If fewer than two shareholder representatives attend the meeting, the number of shareholder representatives participating in the vote counting and voting scrutinizing may be less than the above regulated number of persons.

When deliberating related matters, connected shareholders shall not count the votes on such matters.

Upon the voting on proposals in a shareholders' general meeting, lawyers, shareholder representatives and supervisor representatives shall be jointly responsible for the counting and scrutinizing of ballots. The voting results shall be announced on the spot and recorded in the minutes.

Shareholders or proxies thereof voting by online or other means have the right to verify their own voting results through corresponding voting systems.

Article 57 The voting at a shareholders' general meeting through online or by other means shall end before such voting on-site, the presider shall announce the voting result of each proposal at the on-site meeting, and announce whether the proposal is adopted based on the voting result.

Before the voting result is formally announced, the companies, tally clerks, poll watchers, principal shareholders and online service providers

involved in the voting at the meeting site through the online and by other means are obliged to maintain confidentiality.

Article 58 Shareholders present at a shareholders' general meeting shall issue any of the following opinions on a proposal put to be voted: pro, con or abstention.

The blank, wrongly-filled and illegible ballots or ballots not cast shall be deemed as the waiver of voting right by the voters and the voting result from the shares they hold shall be recorded as "abstention".

Article 59 If the chairperson of the meeting has any doubt about the voting results, he/she may have the votes counted. If the chairperson of the meeting does not have the votes counted, and the shareholders or their proxies attending the meeting demur at the voting results announced by the chairperson of the meeting, they shall have the right to require the vote counting immediately once the voting results are announced, and the chairperson of the meeting shall organize the vote counting at once.

Article 60 The resolution of a shareholders' general meeting shall be announced in a timely manner, the number of shareholders and proxies present thereat, the total amount of shares with voting rights they hold and the percentage thereof to the total shares with voting rights of the Company, the voting method, voting result of each proposal and each resolution adopted shall be stated in the announcement.

Article 61 In the event that a proposal is not adopted or a resolution adopted in the previous shareholders' general meeting is altered in the current shareholders' general meeting, a special note thereon shall be made in the resolution of the current shareholders' general meeting.

Article 62 Where a proposal on the election of directors or supervisors is adopted in a shareholders' general meeting, the newly-elected directors or supervisors shall take office pursuant on the date when the resolution is passed at the shareholders' general meeting.

Article 63 Where a proposal on cash dividend, bonus shares or the conversion of capital reserve to share capital is adopted in a shareholders' general

meeting, the Company shall implement concrete plans within two (2) months following the conclusion of such meeting.

Article 64 Any content of a resolution adopted in a shareholders' general meeting in violation of laws and administrative regulations is invalid.

The controlling shareholder and the actual controller of the Company shall not restrict or obstruct retail investors from exercising their voting rights pursuant to law, and shall not jeopardize the legitimate rights and interests of the Company and its retail investors.

Where the convening procedure or voting system of a shareholders' general meeting violates laws, administrative regulations or the AOA, or the contents of the resolution violate the AOA, the shareholders may, within sixty (60) days of the adoption of said resolution, request the people's court to rescind such resolution.

Chapter 8 Disciplines of the Shareholders' General Meeting

Article 65 The convener of the shareholders' general meeting shall take necessary measures to ensure the seriousness and normal order of the general meeting.

Personnel attending the shareholders' general meeting of the Company shall observe the provisions of related laws, regulations, normative documents, the Articles of Association of the Company, and the Rules, and maintain the order at the meeting place consciously.

Article 66 The Company's shareholders having handled registration formalities or their proxies, directors, supervisors, the Secretary of the Board of Directors, the lawyers employed, notaries, and the guests invited by the Board of Directors or the Proposing Shareholders, and journalists, etc. attend the shareholders' general meeting; other personnel shall not enter the meeting place, and if they have, they may be required by the chairperson to exit.

Article 67 Shareholders and their proxies shall enter the meeting place before starting of the meeting, and may exit midway with the permission of the chairperson.

Article 68 The chairperson of the meeting may require the following personnel to exit:

- (1) Personnel not having the qualification to attend the meeting;
- (2) Personnel severely disturbing the order at the meeting place;
- (3) Personnel in inappropriate dress and destructive to the morals;
- (4) Personnel carrying dangerous articles;
- (5) Personnel carrying pets;
- (6) Other circumstances under which related personnel must exit.

If the abovementioned personnel disobey the order of exit, the chairperson may take necessary measures to make them exit.

Article 69 When a proposal is deliberated, only shareholders or their proxies have the floor, while other attendees shall not ask questions or give speeches.

If a shareholder wants to give speech, he/she shall put up his/her hand, and obtain the permission of the chairperson first.

If multiple shareholders raise their hands to ask for the floor, the chairperson shall determine the sequence of speakers.

The chairperson shall stipulate everybody's speech time and frequency according to concrete situations. Shareholders' speeches within regulated speech time shall not be interrupted, so that shareholders have sufficient right to speak.

Shareholders' speeches violating the regulations of the previous three paragraphs may be refused or restrained by the chairperson.

Directors, supervisors, the general manager, and the Company's other senior management personnel and those with the approval of the chairperson of the meeting attending the meeting may give a speech.

Article 70 Shareholders or their proxies giving a speech shall firstly introduce their shareholder status, the units represented, the number of shares held, etc., and then express their own viewpoints.

Article 71 The chairperson of the shareholders' general meeting shall have the right to announce temporary adjournment according to the agenda and schedule of the meeting.

Article 72 If the shareholders don't demur at the voting results announced by the chairperson on all the proposals at the shareholders' general meeting, the chairperson may announce that the meeting is over.

Chapter 9 Supplementary Provisions

Article 73 For the purpose of the Rules, announcements or notices mean the disclosure of information in *China Securities Journal* and *Shanghai Securities News*. For a lengthy announcement or notice, the Company may opt to disclose the abstract thereof in the aforementioned journals, provided that the full text thereof shall be disclosed on official website of Shanghai Stock Exchange (<http://www.sse.com.cn>).
The supplementary notice of a shareholders' general meeting as referred to in the Rules shall be announced in the same designated newspaper or periodical as the meeting notice.

Article 74 For the purpose of the Rules, "more than" and "within" contain the given figure itself, "exceeding", "less than" and "lower than" do not contain the given figure itself.

Article 75 The power to interpret the Rules resides with the Board of Directors.

Article 76 The Rules come into effect when passed by the shareholders' general meeting.

Article 77 In case the Rules, during its implementation, conflicts with national laws, regulations, the Articles of Association of the Company, the latter ones shall prevail.

Article 78 The revision of the Rules shall be determined by the shareholders' general meeting, and for the revision, the shareholders' general meeting shall authorize the Board of Directors to draw out the draft for amendment, which shall be approved by the shareholders' general meeting before taking effect.

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