



China Railway Signal & Communication Corporation Limited*

中國鐵路通信信號股份有限公司

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

(Stock Code: 3969)

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

According to the Articles of Association of China Railway Signal & Communication Corporation Limited (the “Articles”) and the Terms of Reference of the Independent Non-Executive Directors of China Railway Signal & Communication Corporation Limited, directors shall be nominated by shareholders in the following procedures:

1 Procedures for shareholders to propose candidates for directors (excluding independent non-executive directors)

- 1.1 Shareholders individually or jointly holding 3% or more of the total outstanding voting shares of the Company may propose the candidates for directors to the general meeting in a written form, provided that the number of persons nominated complies with these Articles of Association and is not greater than the number of persons to be elected. The written materials including their basis particulars and résumés shall be enclosed.
- 1.2 The written notices of the intention to nominate directors candidates and of the nominees indicating their willingness to accept the nomination as well as relevant written materials on the nominees shall be dispatched to the Company at least 14 days before the date of the general meeting. The Board shall provide to the shareholders the résumés and basic particulars of the director candidates.
- 1.3 The period accorded by the Company to the nominators and candidates to submit the aforementioned notices and documents shall not be less than 14 days (accounting from the day immediately the date of issuance of the notice of the general meeting).
- 1.4 Besides, shareholders individually or jointly hold 3% or more of the Company's shares may submit ad hoc proposals (e.g. election of directors) to the convener of a general meeting in writing ten days prior to the general meeting; shareholders individually or jointly hold 10% or more of the voting shares may make a proposal to the Board on holding an extraordinary general meeting by signing one or several written requests with same format and define the meeting agenda (e.g. election of directors).

* For identification only.

2 Procedures for shareholders to propose candidates for independent non-executive directors

- 2.1 Shareholders individually or jointly holding 1% or more of the total issued shares of the Company may propose the candidates for independent non-executive directors. Such independent non-executive shareholders shall be elected and resolved by the general meeting.
- 2.2 Shareholders shall acquire the consent from the nominees before nominating the independent non-executive directors. The nominators shall fully consider the profession, educational background, title, specific work experience and all part-time jobs of the nominees, and express their opinions on the qualifications and independences of the nominees to be elected as independent non-executive directors. The nominees shall make public announcements that they have no relationship with the Company that could hinder the nominators' making independent and objective judgments. The Board shall make the above information public in accordance with relevant rules before the convention of the general meeting to elect independent non-executive directors.
- 2.3 The written notices of the intention to nominate directors candidates and of the nominees indicating their willingness to accept the nomination as well as relevant written materials on the nominees shall be dispatched to the Company at least 14 days before the date of the general meeting.