



Sinopoly Battery Limited

中聚電池有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

RIGHTS AND PROCEDURE FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

1. Rights to nominate

Under the Companies Act 1981 of Bermuda (the “**Act**”) and the bye-laws of the Company, the following person(s) have the right to propose a person for election as a Director:

- (i) a shareholder/shareholders (the “**Shareholder**”/“**Shareholders**”) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the rights of voting at general meetings of the Company by depositing a written requisition to the board of directors of the Company (the “**Board**”) or the company secretary of the Company (the “**Company Secretary**”), is/are entitled to request a special general meeting to be called to propose a person to be elected as a Director; or
- (ii) a Shareholder/Shareholders holding at the date of deposit of the requisition not less than one-twentieth of the paid up capital of the Company carrying the rights of voting at general meetings of the Company is/are entitled to propose a resolution to elect a person as a Director at any general meeting of the Company.

2. Procedure

To exercise the right in (1)(i) above, the Shareholder/Shareholders of the Company shall deposit a requisition to the Company in the manner as prescribed in section 74 of the Act and Bye-law 58 of the bye-laws of the Company. To exercise the right in (1)(ii) above in relation to the next general meeting, the Shareholder/Shareholders shall deposit a requisition to the Company in the manner as prescribed in section 79 of the Act.

In addition, they are required to comply with the notice requirement in Bye-law 85 of the bye-laws of the Company. Bye-law 85 provides that:

- (i) a notice (the “**Notice**”) signed by the relevant Shareholder/Shareholders (other than the person to be proposed) of his/their intention to propose such person for election; and
- (ii) a notice (the “**Consent**”) signed by the person to be proposed of his willingness to be elected,

shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which the Notice and the Consent are given, shall be at least seven (7) days and that (if the Notice and the Consent are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of the Notice and the Consent shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The period for lodgment of the Notice and the Consent will commence on the day after the despatch of the notice by the Company of the general meeting appointed for election of directors and end no later than seven (7) days prior to the date of such general meeting. If the Notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (a) assess the suitability of the proposed candidate; and (b) publish an announcement or circulate a supplementary circular in relation to the proposal to the Shareholders at least fourteen (14) days and not less than ten (10) business days prior to the general meeting. For the purpose of this paragraph, the term “business day” means any day on which The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) is open for the business of dealing in securities.

The Notice must state clearly the name(s) and the contact information of the Shareholder/Shareholders, the full name of the person proposed for election as a director of the Company, including the person’s biographical details as required by Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange, and be signed by the Shareholder/Shareholders concerned (other than the person to be proposed). The Shareholder/Shareholders concerned must prove his/her/their shareholding in the Company to the satisfaction of the Company. The Notice must also be accompanied by the Consent signed by the person proposed to be elected that he/she consents to be a director of the Company, if elected.

The Notice and the Consent are required to be deposited at the head office of the Company at Rooms 901-905, 9th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the attention of the Company Secretary.

The Company will check the Notice and the Consent and the identity and the shareholding of the Shareholder/Shareholders will be verified with the branch share registrar of the Company in Hong Kong. If both the Notice and the Consent are found to be proper and in order, the Company Secretary of the Company will ask the Board to include the resolution in the notice for such general meeting.

1 April 2012