

**Ningbo Shanshan Co., Ltd.**  
**Materials of Third Extraordinary**  
**General Meeting of 2022**



宁波杉杉股份有限公司  
Ningbo Shanshan Co., Ltd.

**12 August 2022**

## **Ningbo Shanshan Co., Ltd.**

### **Materials of Third Extraordinary General Meeting of 2022**

#### **I. Date and time of the EGM**

Date and time of the on-site meeting 29 August 2022 13:30

Start and end dates and voting hours for online voting: 29 August 2022, The online voting system of the Shanghai Stock Exchange for general meetings is adopted. The time for voting through the voting platform of the trading system shall be the trading time on the date of the EGM, i.e., 9:15-9:25, 9:30-11:30, 13:00-15:00; the time of voting through the online voting platform shall be 9:15-15:00 on the date of the EGM.

#### **II. Venue of the on-site meeting**

Meeting Room, F/28, Shanshan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo, Zhejiang, PRC

#### **III. Voting method**

The voting method adopted at the EGM is the combination of on-site voting and online voting

- (I) Shareholders of the Company exercising their voting rights through the online voting system of the Shanghai Stock Exchange for general meetings can either log on to the trading system voting platform (through the trading terminal of the designated trading securities company) or log on to the Internet voting platform (website: [vote.sseinfo.com](http://vote.sseinfo.com)) to cast their votes. For the first time to log on to the Internet voting platform to vote, investors need to complete the shareholder identification. Please see the instructions on the Internet voting platform website for specific operations.
- (II) Shareholders can exercise their voting rights through the online voting system of the Shanghai Stock Exchange for general meetings. If they have more than one shareholder account, they can use any shareholder account holding shares of the Company to participate in the online voting. After voting, all of the ordinary shares of the same class or preferred shares of the

same variety under their shareholder accounts are deemed to have been voted with the same opinion, respectively.

(III) If the same voting right is repeatedly voted through on-site, the online voting system of the Shanghai Stock Exchange for general meetings or other means, the result of the first vote shall prevail.

(IV) Shareholders will vote on all proposals before they can be submitted.

#### **IV. Agenda**

(I) The meeting presider announces the start of the EGM .

(II) Proposals for consideration at the EGM

1. Proposal on Adjusting Selected Performance Appraisal Targets under the Company's 2022 Stock Option and Restricted Share Incentive Plan and Amendment to Related Documents;

2. Proposal on the revision of the Articles of Association of Ningbo Shanshan Co., Ltd.

(III) Shareholders' Q&A.

(IV) Voting on proposals.

(V) The convener of the Supervisory Committee announces the voting results.

(VI) The meeting presider announces the resolutions of the EGM.

(VII) The lawyers read out the legal opinion.

(VIII) The meeting presider announces the end of the EGM .

## **1. Proposal on Adjusting Selected Performance Appraisal Targets under the Company's 2022 Stock Option and Restricted Share Incentive Plan and Amendment to Related Documents**

The Company's general meeting in March 2022 considered and approved the Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. (the "Incentive Plan"), in order to further improve the long-term incentive mechanism of the Company, fully mobilize the enthusiasm of the directors of the Company, key management personnel and core technical personnel of the Company's subsidiaries, strengthen corporate cohesion, and enable all parties to jointly focus on and promote the long-term sustainable development of the Company.

When setting the departmental performance appraisal index of this Incentive Plan, the Company has not considered the impact of the share-based payment related expenses on the departmental performance appraisal index - net profit.

As the anode materials and polarizer business departments served by the Recipients under the Incentive Plan are subsidiaries of the Company, and according to the Accounting Standards for Business Enterprises and its relevant regulations, the share-based payment related expenses shall be undertaken by the enterprises receiving relevant services. Therefore, the Company intends to include the share-based payment related expenses under the Incentive Plan into the relevant subs

Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd., Measures for Management of Appraisal for the Implementation of the 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd. and other documents accordingly, and the specific adjustments are as follows:

**Before adjustment:**

Exercise/unlocking period	Expected growth rate of appraisal index of the polarizer business department		Expected growth rate of appraisal index of the anode materials business department	
The first exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2022 is 17%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2022 is 80%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2022 is 14%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2022 is 65%
The second exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2023 is 44%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2023 is 170%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2023 is 30%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2023 is 165%
The third exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2024 is 72%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2024 is 300%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2024 is 50%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2024 is 300%
The fourth exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2025 is 84%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2025 is 390%

	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2025 is 67%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2025 is 450%
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Note 1: The aforesaid "operating income of polarizer business", "net profit of polarizer business", "operating income of anode materials business" and "net profit of anode materials business" refer to the relevant financial information in the segment reports of the audited financial reports of the listed company

**After adjustment:**

The contents of the table remain unchanged and the note at the bottom of the table is amended to:

"Note 1: The aforesaid "operating income of polarizer business", "net profit of polarizer business", "operating income of anode materials business" and "net profit of anode materials business" refer to the relevant financial information in the segment reports of the audited financial reports of the listed company. **When the net profit indicator is assessed, the impact of share-based payment related expenses amortized by the corresponding business segment during the corresponding appraisal period shall be excluded**"

Except for the above amendments, the other performance conditions and other contents of this Incentive Plan remain unchanged.

For details, please refer to the ["Ningbo Shanshan Co., Ltd. Announcement on Adjusting Part of the Performance Appraisal Targets under the Company's 2022 Stock Option and Restricted Share Incentive Plan and Amendment to Related Documents"](#) disclosed on the website of the Company on August 12, 2022.

Please vote after deliberation.

## 2. Proposal on the revision of the Articles of Association of Ningbo Shanshan Co., Ltd.

It is proposed to revise the relevant clauses of the applicable Articles of Association of Ningbo Shanshan Co., Ltd. in the wake of the listing of its GDRs, given the completion of the registration of the first granted 18,334,100 shares under 2022 Stock Option and Restricted Shares Incentive Plan of the Company and the 77,211,500 shares of underlying securities relevant to the GDRs and the realities of the Company. Details of the amendments are as follows

Before revision	Revised
<p>Article 2 ...</p> <p>The Company was established by means of directional stock flotation with the approval of the (1992) No. 27 Document of Ningbo Municipal People's Government Office for Restructuring the Economic System, and was registered with the Administration for Industry and Commerce of Yinzhou District in Ningbo and obtained a business license with unified social credit code of 91330200704803055M.</p> <p>.....</p>	<p>Article 2 ...</p> <p>The Company was established by means of directional stock flotation with the approval of the (1992) No. 27 Document of Ningbo Municipal People's Government Office for Restructuring the Economic System, and was</p> <p>TT0 Tm frP &lt;&lt;/MCID 9.9&gt;&gt;BDC q2022.278.005 Tc 0.00</p>

<p>ordinary shares issued by the Company upon incorporation was [ ], all are RMB ordinary shares.</p> <p>The Company's capital structure is as follows: [ ] ordinary shares, of which [ ] shares are held by A shares shareholders, accounting for [ ]%; the A shares corresponding to the GDRs held by foreign investors are calculated according to the conversion ratio determined by the Company, which are [ ] shares, accounting for [ ]%.</p>	<p>issued by the Company upon incorporation was <b><u>2,238,465,538</u></b>, all are RMB ordinary shares.</p> <p>The Company's capital structure is as follows: <b><u>2,238,465,538</u></b> ordinary shares, of which <b><u>2,161,254,038</u></b> shares are held by A shares shareholders, accounting for <b><u>96.55%</u></b>; the A shares corresponding to the GDRs held by foreign investors are calculated according to the conversion ratio determined by the Company, which are <b><u>77,211,500</u></b> shares, accounting for <b><u>3.45%</u></b>.</p>
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Apart from the clauses above, the Articles of Association of Ningbo Shanshan Co., Ltd. remain unchanged.

Please vote after deliberation.