

Stock Code: 603799

Stock Name: Huayou Cobalt

# Second Extraordinary General Meeting in 2023



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# **Agenda of the Second Extraordinary General Meeting in 2023**

Time: 13:30 on August 15, 2023

Venue: Conference Room 1, 1/F, R&D Building of Zhejiang Huayou Cobalt Co., Ltd., No. 79 Wuzhen East Road, Tongxiang Economic Development Zone, Zhejiang

1. Declare the beginning of the meeting
2. Announce the number of shareholders attending the on-site meeting and the number of their shares
3. Elect a vote counter and a scrutineer
4. Examine the motions
5. Vote by ballot
6. Shareholders ask questions, and directors, supervisors and senior management answer shareholders' questions
7. Adjourn the meeting (wait for the online voting results; the staff tally the vote)
8. Announce the voting results
9. Lawyers issue legal opinions
10. Declare the end of the meeting

## **Details of the Second Extraordinary General Meeting**

shall first apply to the conference team and then do so with the permission of the moderator.

4. Each shareholder or shareholder's representative shall not speak more than twice at the general meeting. The time of the first speech shall not exceed five minutes, and the time of the second speech shall not exceed three minutes.

5. The moderator can arrange the Company's directors, supervisors and other senior management to answer the shareholders' questions. If a question has nothing to do with the topic of the general meeting or will reveal the Company's trade secrets or may harm the common interests of the Company and shareholders, the moderator or the relevant designated personnel shall have the right to refuse to answer it.

6. At the general meeting, the method of combining on-site voting and online voting shall be adopted, and the announcement on the resolution of the general meeting shall be released by combining the results of on-site voting and online voting. On-site voting shall be by open ballot, and the elected representatives of shareholders and supervisors and lawyers shall participate in counting and scrutinizing. The Company will provide the Company's shareholders with an online voting platform through the Shanghai Stock Exchange online voting system, and shareholders can exercise their voting rights through the said system during the online voting hours.

7. When voting, the on-site shareholders or shareholders' representatives shall choose one of the three: "For", "Against" and "Abstain", stated below in each motion in the ballot, and mark "✓". In case of multiple choices or no choice, the relevant vote shall be deemed invalid and the relevant shareholder shall be deemed to have abstained from voting.

8. Three motions will be considered at the general meeting. The motions shall be adopted by a special resolution of the general meeting, that is, by more than two-thirds of the valid voting rights held by the shareholders or shareholders' representatives present at the general meeting.

9. The lawyer to witness the general meeting shall be a lawyer of Grandall Law

Firm (Hangzhou).

10. In order to ensure the seriousness and normal order of the general meeting and

## **Motion 1**

The incentive instrument for the Company's 2023 restricted share incentive plan is restricted shares. The underlying shares are the RMB A-share ordinary shares of the Company to be issued by the Company to the participant.

The number of restricted shares proposed to be granted to the participant under the incentive plan is 19,710,800, representing approximately 1.160% of the total issued share capital of the Company after the conversion of the convertible bonds (1,699,465,419 shares) as at July 24, 2023. Among them, 15,770,800 shares were granted for the first tranche, representing 0.928% of the total issued share capital of the Company after the conversion of the convertible bonds (1,699,465,419 shares) as at July 24, 2023 and 80% of the total number of shares to be granted under this incentive plan; 3,940,000 shares were reserved, representing 0.232% of the total issued share capital of the Company after the conversion of the convertible bonds (1,699,465,419 shares) as at July 24, 2023 and 20% of the total number of shares to be granted under this incentive plan.

There will be a total of 2,211 participants for the first tranche under the incentive plan, including directors (excluding independent directors), senior management, key managers and key cadres serving in the Company (including holding subsidiaries and branches, the same below) and other personnel deemed by the Board of Directors to be in need of incentive when the Company announces the incentive plan, but excluding independent directors, supervisors, shareholders who hold more than 5% of the total issued share capital of the listed company individually or in aggregate, actual controller of the listed company and his/her spouse, parents and children.

The distribution of restricted shares to be granted under the incentive plan among the participants is shown in the table below:

S/N	Name	Title	Number of restricted shares to be granted (10,000 shares)	Proportion to the total number of granted restricted shares	Proportion to the total issued share capital after the conversion of the convertible bonds as at July 24, 2023
1	Chen Hongliang	Director, President	15	0.76%	0.009%
2	Fang Qixue	Deputy Chairman, Director, Vice President	10	0.51%	0.006%
3	Wang Jun	Director, Vice President, CFO	10	0.51%	0.006%
4	Chen Yaozhong	Vice President	10	0.51%	0.006%
5	Xu Wei	Vice President	10	0.51%	0.006%
6	Fang Yuan	Vice President	5	0.25%	0.003%
7	Wu Mengtao	Vice President	5	0.25%	0.003%
8	Li Rui	Board Secretary	2.2	0.11%	0.001%
Key managers, key cadres and other personnel deemed by the Board of Directors to be in need of incentive (2,203 participants)			1,509.88	76.60%	0.888%

Reserved

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existence of the incentive plan. Those participants will be determined within 12 months after the approval of the incentive plan at the general meeting by reference to the criteria for first tranche.

The initial grant price of restricted shares under the incentive plan is RMB 25.38/share. During the period from the date of announcement of the incentive plan to the completion of registration of restricted shares by the incentive objects, the grant price of restricted shares is subject to adjustment in accordance with the incentive plan in the circumstances that the Company has capital reserves converted to share capital, dividend distribution, share split, allotment of shares, share reduction or dividend payout, etc.

The incentive plan shall be valid for no more than 48 months from the date of completion of registration of restricted shares grant to the date of lifting of restriction on sales of all restricted shares granted to the incentive objects or the date of cancellation. The grant date shall be determined by the Board of Directors after the approval of the incentive plan by the general meeting of the Company. The Company shall grant the restricted shares and complete the announcement, registration and other related procedures within 60 days after the approval by the general meeting. If the Company fails to complete the above work within 60 days, it shall disclose the reasons for the failure in a timely manner, and announce the termination of the implementation of the incentive plan and the invalidity of the ungranted restricted shares.

The Company's "2023 Restricted Share Incentive Plan (Draft)" and Summary has been approved by the seventh meeting of the sixth Board of Directors and the fourth meeting of the sixth Board of Supervisors of the Company, and is now submitted to the general meeting for consideration. For more details, please refer to the disclosure on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd.

August 15, 2023

## **Motion 2**

2. The HR Department of the Company shall be responsible for the specific assessment work under the guidance of the Remuneration and Appraisal Committee of the Board of Directors of the Company, save the assessment results, and form a performance assessment report on this basis and submit it to the Remuneration and Appraisal Committee of the Board of Directors.

(I) Requirements for company performance assessment

The assessment year of lifting the restriction on sales under the incentive plan shall be three fiscal years from 2023 to 2025, one assessment in each fiscal year. The performance conditions for lifting the restriction on sales of restricted shares granted for the first time are set out in the table below:

First period of lifting the restriction on sales of restricted shares granted for the first time	Based on the operating income in 2022, the growth rate of operating income in 2023 is not less than 10%, or the net profit in 2023 is not less than RMB 6 billion
Second period of lifting the restriction on sales of restricted shares granted for the first time	Based on the operating income in 2022, the growth rate of operating income in 2024 is not less than 20%, or the cumulative net profit in 2023 and 2024 is not less than RMB 13 billion
Third period of lifting the restriction on sales of restricted shares granted for the first time	Based on the operating income in 2022, the growth rate of operating income in 2025 is not less than 30%, or the cumulative net profit in 2023, 2024 and 2025 is not less than RMB 21 billion

Note: ① Taking the announcement date of the draft plan as the cut-off point, during the validity period of the incentive plan, if a subsidiary is newly added, transferred or withdrawn, or there is a change of control in the future, the impact on the Company's performance assessment and expenses caused by the amount incurred by such behavior of the subsidiary shall be excluded, and the base value of the base year 2022 shall be simultaneously excluded and adjusted.

② The "net profit" shall be calculated on the basis of the net profit attributable to the

shareholders of the listed company after deducting non-recurring profit and loss and the value after excluding the cost of the share payment under this and other incentive plans, the same below.

If the reserved shares are granted before September 30, 2023, the performance assessment target shall be the same as that of the shares granted for the first time. If the reserved restricted shares are granted after September 30, 2023, the performance assessment target for each year shall be as follows:

First period of lifting the restriction on sales of restricted shares granted for reserve	Based on the operating income in 2022, the growth rate of operating income in 2024 is not less than 20%, or the cumulative net profit in 2023 and 2024 is not less than RMB 13 billion
Second period of lifting the restriction on sales of restricted shares granted for reserve	Based on the operating income in 2022, the growth rate of operating income in 2025 is not less than 30%, or the cumulative net profit in 2023, 2024 and 2025 is not less than RMB 21 billion

If the Company fails to meet the above performance assessment target, for all incentive objects' restricted shares of which the restriction on sales can be lifted in the corresponding assessment year, the restriction on sales shall not be lifted, and the Company shall cancel based on the grant price plus the interest calculated at the benchmark deposit interest rate of the same period published by the People's Bank of China.

## (II) Requirements for individual performance assessment

The Remuneration and Appraisal Committee will grade the incentive objects based on the comprehensive evaluation results in each assessment year, and determine the proportion of lifting the restriction on sales according to the individual performance assessment results of the incentive objects. According to the assessment measures formulated by the Company, in principle, the performance assessment result (S) is divided into qualified and unqualified. If the assessment result during the period of lifting the restriction on sales is qualified, the restriction on sales of all the shares of the current period can be lifted; if it is unqualified, the shares of the current period of which

the restriction on sales is lifted can be canceled, as

### **Motion 3**

In order to ensure the smooth implementation of the Company's 2023 restricted share incentive plan, the Board of Directors of the Company requests the general meeting to authorize the Board of Directors to handle the following matters (including but not limited to):

- (1) To determine the grant date under the restricted share incentive plan;
- (2) To adjust the number and grant price of restricted shares in accordance with the methods stipulated in the share incentive plan when the Company has capital reserves converted to share capital, stock dividend distribution, stock split, allotment of shares, share reduction or dividend payout, etc.;
- (3) To grant restricted shares to the incentive objects when the incentive objects meet the conditions and handle all matters necessary for the grant of restricted shares, including but not limited to signing the Restricted Shares Grant Agreement with the incentive objects;
- (4) To review and confirm the qualification and conditions of lifting the restriction on sales of the incentive objects, and agree that the Board of Directors shall grant the exercise of the right to the Remuneration and Appraisal Committee;
- (5) To decide whether the restriction on sales can be lifted;
- (6) To handle all matters necessary for granting rights to the incentive objects, lifting the restriction on sales, and repurchasing the restricted shares, including but not

limited to applying to the stock exchange to open a special account for restricted share repurchase, applying to the registration and clearing corporation for handling the relevant registration and clearing business, amending the Articles of Association, registering the change of the registered capital of the Company, and paying the repurchase amount to the incentive objects;

(7) To handle the matters related to restriction on sales of restricted shares of which the restriction on sales has not been lifted;

(8) To handle changes and terminations of the restricted share incentive plan in accordance with the provisions of the 2023 Restricted Share Incentive Plan, including but not limited to cancelling the incentive objects' qualification of lifting the restriction on sales, repurchasing the restricted shares of which the restriction on sales has not been lifted, handling matters related to inheritance of the restricted shares of deceased incentive objects of which the restriction on sales has not been lifted, and terminating the Company's restricted share incentive plan;

(9) To manage and adjust the Company's share incentive plan, and formulate or modify the management and implementation provisions of the plan from time to time under the premise of being consistent with the terms of the incentive plan; However, if laws, regulations or relevant regulatory authorities require such modification to be approved by the general meeting and/or the relevant regulatory authorities,

