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中国石油化工股份有限公司

**CHINA PETROLEUM & CHEMICAL CORPORATION**

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

**(Stock Code: 00386)**

**Proposed Amendments to the Articles of Association and the Rules and  
Procedures for the Board Meetings  
and  
Proposed Establishment of Nomination Committee of the Board**

**Proposed amendments to the Articles of Association and the Rules and Procedures for  
the Board Meetings**

In order to further enhance corporate governance and satisfy business expansion needs of the Company, and taking into account actual circumstance of the Company, the board of directors (the "**Board**") of China Petroleum & Chemical Corporation ("**Sinopec Corp.**" or the "**Company**") proposes to amend the articles of association of the Company (the "**Articles of Association**") and its appendix the Rules and Procedures for the Board of Directors' Meetings of Sinopec Corp. (the "**Rules and Procedures for the Board Meetings**") (together, the "**Amendments**").

The 17th meeting of the sixth session of the Board was held on 23 March 2018 and the resolutions in relation to the Amendments to the Articles of Association and the Amendments to the Rules and Procedures for the Board Meetings were reviewed and approved. The Board proposes to amend the Articles of Association and Rules and Procedures for the Board Meetings as follows:

## **1. Article 13 of the Articles of Association**

### **The current Article 13:**

"The Company's scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The Company's scope of business includes: the production, storage, pipeline transportation, land transportation, water transportation and sale of non-coal mines (oil and natural gas etc.), dangerous chemicals (ethylene, propylene, butadiene and naphtha etc.), heavy oil, rubber and other chemical raw materials and products; oil refining; wholesaling and retailing (for subsidiaries only) of gasoline, kerosene and diesel oil; the production, storage, transportation and sale of natural gas chemicals and coal chemicals; sale of lubricant, fuel oil, solvent naphtha and asphalt; production of chemical fertilizer; operation of LPG station, sale of CNG, LNG, LPG and city gas; operation of electrical vehicle charging station; production, supervision of manufacturing, installation of oil and petrochemical machinery and equipment; manufacturing of equipment, tools, instruments and gauges in petroleum drilling and production; purchase and sale of oil and petrochemical raw and auxiliary materials, equipment and parts; technology and information, research, development, application and consultation of alternative energy products; production and sale of electricity, steam, water and industrial gases; wholesaling of farm, forestry and pasture products; operation of general merchandise convenience stores; wholesaling and retailing of knitted garments and housewares; wholesaling and retailing of cultural and sports goods and equipment; sale of food, beverages and tobacco products; wholesaling and retailing of pharmaceuticals and medical devices; retailing of automobiles, motorcycles and components; repair and maintenance of and technical training for automobiles and motorcycles; wholesaling and retailing of machineries, hardware products, electronic products and household appliances; retailing of furniture and materials for indoor decoration; stalls, no-store sale and other forms of retail business; general merchandise retail; accommodation and catering services; manufacturing of food and food additives; residents' services; transportation agency services; warehousing; operation of self-owned properties; leasing of natural gas storage facility; leasing of houses, working places, vehicles and equipment; lease of machineries; media, advertising and acting as commission agent; insurance brokerage and agency services; financial trust and management services; E-commerce; self-operation of and acting as agency for the import and export of various commodities and technologies

other than those restricted or prohibited by the state from import and export; contractor of overseas mechanical, electronics, petrochemical projects and domestic international bid-inviting projects; export of equipment and materials required for the aforementioned overseas projects; dispatch of labour required for the aforementioned overseas projects.”

**is hereby proposed to be amended as follows:**

"The Company's scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The Company's scope of business includes: the production, storage, pipeline transportation, land transportation, water transportation and sale of non-coal mines (oil and natural gas etc.), dangerous chemicals (ethylene, propylene, butadiene and naphtha etc.), heavy oil, rubber and other chemical raw materials and products; oil refining; wholesaling and retailing (for subsidiaries only) of gasoline, kerosene and diesel oil; the production, storage, transportation and sale of natural gas chemicals and coal chemicals; sale of lubricant, fuel oil, solvent naphtha and asphalt; production of chemical fertilizer; operation of LPG station, sale of CNG, LNG, LPG and city gas; operation of electrical vehicle charging station; production, supervision of manufacturing, installation of oil and petrochemical machinery and equipment; manufacturing of equipment, tools, instruments and gauges in petroleum drilling and production; purchase and sale of oil and petrochemical raw and auxiliary materials, equipment and parts; technology and information, research, development, application and consultation of alternative energy products; production and sale of electricity, steam, water and industrial gases; wholesaling of farm, forestry and pasture products; operation of general merchandise convenience stores; wholesaling and retailing of knitted garments and housewares; wholesaling and retailing of cultural and sports goods and equipment; sale of food, beverages and tobacco products; wholesaling and retailing of pharmaceuticals and medical devices; retailing of automobiles, motorcycles and components; repair and maintenance of and technical training for automobiles and motorcycles; wholesaling and retailing of machineries, hardware products, electronic products and household appliances; retailing of furniture and materials for indoor decoration; stalls, no-store sale and other forms of retail business; general merchandise retail; accommodation and catering services; manufacturing of food and food additives; residents' services; transportation agency services; warehousing; operation of self-owned properties; leasing of natural gas storage facility;

leasing of houses, working places, vehicles and equipment; lease of machineries; media, advertising and acting as commission agent; insurance brokerage and agency services; financial trust and management services; E-commerce; self-operation of and acting as agency for the import and export of various commodities and technologies other than those restricted or prohibited by the state from import and export; contractor of overseas mechanical, electronics, petrochemical projects and domestic international bid-inviting projects; export of equipment and materials required for the aforementioned overseas projects; dispatch of labour required for the aforementioned overseas projects; railway transportation; auxiliary operations for coastal engineering, port operations, oil spill emergency response, security protection, vessel pollution cleaning operations; quality inspection technical services in professional technical service industry, environment and ecology monitoring and testing services; edible salt production, wholesale, retail; exploration and development of shale gas, coalbed methane, shale oil, natural gas hydrate and other resources, storage and shipment, pipeline transportation and sale; gas-fired power generation and power supply; installation and maintenance of power facilities, power technology development and services."

## **2. Article 72 of the Articles of Association**

### **The current Article 72:**

"The Company's board of directors, independent directors and shareholders who meet the relevant requirements may collect from other shareholders of the Company the rights to vote in a shareholders' general meeting. The collection of voting rights shall be without consideration with sufficient disclosure of information to the shareholders from whom voting rights are being collected."

### **is hereby proposed to be amended as follows:**

"The Company's board of directors, independent directors and shareholders who meet the relevant requirements may collect from other shareholders of the Company the rights to vote in a shareholders' general meeting. The collection of voting rights shall be without consideration with sufficient disclosure of information to the shareholders from whom voting rights are being collected. The Company does not set a minimum shareholding limit on the collection of voting rights."

### **3. Article 13 of the Rules and Procedures for the Board Meetings**

#### **The current Article 13:**

“The board of directors shall establish strategic decision-making sub-committee, auditing sub-committee, remuneration and evaluation sub-committee and other special committees who shall be accountable to the board of directors. These special committees shall conduct research on specific matters and provide opinions and suggestions on these matters to the board of directors for the reference.

Members of the special committees shall be directors of the Company. The majority of the membership of the auditing sub-committee, and remuneration and evaluation sub-committee shall consist of the independent directors, who shall also act as convenors. The auditing sub-committee shall have at least one independent director who is also an accounting professional.”

#### **is hereby proposed to be amended as follows:**

“The board of directors shall establish strategic decision-making sub-committee, auditing sub-committee, remuneration and evaluation sub-committee, nomination sub-committee and social responsibility management sub-committee, and other special committees who shall be accountable to the board of directors. These special committees shall conduct research on specific matters and provide opinions and suggestions on these matters to the board of directors for the reference.

Members of the special committees shall be directors of the Company. The majority of the membership of the auditing sub-committee, and remuneration and evaluation sub-committee shall consist of the independent directors, who shall also act as convenors. The auditing sub-committee shall have at least one independent director who is also an accounting professional; independent directors shall be the majority in the nomination sub-committee, and the chairman or an independent director shall be the convener.”

**4. Proposes to include two new articles in Chapter 3 (Composition of the Board of Directors and its Subordinated Offices) of the Rules and Procedures for the Board Meetings**

The Company proposes to include two new articles in Chapter 3 (Composition of the Board of Directors and its Subordinated Offices) of the Rules and Procedures for the Board Meetings:

“Article 17 The main responsibilities of the nomination committee shall be:

- (1) to provide suggestions to the Board on the Board's size and composition, based on the Company's operational activities, assets and shareholding structure;
- (2) to study the standards and procedures for selecting directors and senior management, and to provide suggestions to the Board;
- (3) to search for qualified candidates extensively in both domestic and overseas talent markets and within the Company, assess the candidates for directors and President as well as for Senior Vice Presidents, Chief Financial Officer and Vice Presidents proposed by the President, and for the Board secretary proposed by the Chairman, and to provide suggestions to the Board.

Article 18 The main responsibilities of the social responsibility management committee shall be:

- (1) to study the policies, governance, strategies and plans of the Company's social responsibility management, and to provide suggestions to the Board;
- (2) to review the Company's annual social responsibility plan and external donation plan;
- (3) to review the implementation of the Company's annual social responsibilities as well as the sustainable development report.”

The existing Article 17 and subsequent articles of the Rules and Procedures for the Board Meetings shall be renumbered accordingly. The number of the articles of the Rules and Procedures for the Board Meetings will be increased from 50 to 52.

## **Proposed Establishment of Nomination Committee of the Board**

In order to further enhance corporate governance and to comply with the Code of Corporate Governance for Listed Companies, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other regulatory rules of the domestic and international exchanges where the Company is listed, taking into account actual circumstance of the Company, the Company proposes to establish a nomination committee of the Board.

### **General**

The Amendments and establishment of the Nomination Committee are subject to the approvals at the annual general meeting for the year 2017 of the Company (the “AGM”). A circular containing, among other things, details of the proposed Amendments and establishment of the Nomination Committee together with a notice of the AGM, will be dispatched to the holders of H shares of Sinopec Corp. in due course.

By Order of the Board  
**China Petroleum & Chemical Corporation**  
**Huang Wensheng**  
*Vice President, Secretary to the Board*

Beijing, PRC

23 March 2018

*As of the date of this announcement, directors of the Company are: Dai Houliang<sup>#</sup>, Li Yunpeng<sup>\*</sup>, Jiao Fangzheng<sup>#</sup>, Ma Yongsheng<sup>#</sup>, Jiang Xiaoming<sup>+</sup>, Yan Yan<sup>+</sup>, Tang Min<sup>+</sup> and Fan Gang<sup>+</sup>.*

<sup>#</sup> *Executive Director*

<sup>\*</sup> *Non-executive Director*

<sup>+</sup> *Independent Non-executive Director*