Bluestar Adisseo Company
2019 Annual Report of Independent Directors

In 2019, we, as independent directors of Bluestar Adisseo Company (“the Company”), according to the “*Company Law*”, the “*Guiding Opinions on Establishing the Independent Director System in Listed Companies*”, the “*Several Regulations on Enhancing the Protection of Public Stocks and Stockholders’ Equity*”, and the “*Articles of Association of Bluestar Adisseo Company*”, fulfilled our duties in a diligent and conscientious manner, learned about the Company operation situation, actively attended related meetings, earnestly deliberated all proposals of Board of Directors, and provided independent opinions on related issues, thus fully playing the role of independent directors and protecting the interests of the Company and shareholders, especially the public shareholders. The 2019 annual work report of independent directors is as follows:

1. Basic information on independent directors

The independent directors of the 7th session of the board of directors are Ms. Song Lixin, Mr. Ding Yuan and Mr. Jean Falgoux.

The profile of each independent director is as follows:

Song Lixin: Born in 1967, MBA. Graduated from Journalism of Renmin University with bachelor’s in law in July 1989; Graduated from Tsinghua University of Economics and Management with Master of Business Administration in 2006. Earned Chief Editor in Journalism in October 1998. Act as General Editor of Talents magazine since 1997 and later as President of the magazine. Experienced in culture and finance areas. Founded of China Annual Management Gala in 2001 and have held more than ten terms of the Gala up to now. She has been the Company’s independent director since 2015 and is the chairman of Remuneration and Appraisal Committee.

Ding Yuan: Born in 1969, French. Mr. Ding has over 10 years of experience in teaching and research in financial accounting, financial statement analysis, corporate governance and mergers and acquisitions. From September 1999 to September 2006, Mr. Ding is a tenured professor of accounting and management control at HEC School of Management, Paris, France. Since joined CEIBS in September 2016, Mr. Ding is Vice President and Dean, Cathay Capital Chair Professor in Accounting. He has also served and continues to serve on the Boards of Directors of several listed firms and financial institutions: Landsea Group (2013.07-, stock code:106), Man Wah Holdings Limited (2016.12-, stock code: 1999), Gujing Group (2008.07-2011.06, stock code: 000596), TCL (2008.06 - 2014.06, stock code: 000100), MagIndustries Corp. (2011.07 – 2015.06, stock code: MAA), Red Star Macalline (2012.03–, stock code: 1528(HK), 601828(SH)) and serves as a director in Jaccar Holdings. Dr. Ding received his PhD in Accounting from the Institute of Enterprises Administration at the University Montesquieu Bordeaux IV, France in May 2000. He has been the Company’s independent director since 2018 and is the chairman of Audit Committee.

Jean Falgoux: French, born in 1952. Studied as student trained at French Institute for Agronomic Research (INRA). Engineer in Agriculture. Master in statistics. Master’s in business administration. 40 years’ experience in various global industries, primarily feed additives, animal health and also crop protection, food additives, pharmaceuticals. Worked as sales manager in Rousselot (France), Senior VP in animal health and feed additives, and board member of Hoechst, Roussel Uclaf, President and CEO of Ajinomoto Eurolysines SAS, VP of Ajinomoto Europe SAS and chairman or executive director of the European affiliates. Currently non-executive directors of start-up companies (capital investment). He has been the Company's independent director since 2015 and is the chairman of Nomination Committee.

2. Annual performance of independent directors

2.1. Information on attending the meetings of the Board of Directors

The company held 6 meetings of the Board of Directors (4 meetings held through on-site and communication voting) this year, 6 meetings of Audit Committee of the Board of Directors, 5 meetings of Remuneration and Appraisal Committee of the Board of Directors, 3 meeting of Strategic Committee of the Board of Directors, and 3 shareholders' meetings.

Name of directos	Attendance at Board Meeting						Attendance at Special Committee Meetings	Attendance at General meetings
	Required attendance at Board meetings in the term of office this year	Attend-ance in Person	Participation by communications	Attend-ance by proxy	Absence	Consecutively Absent from two meetings	Attendance frequency at Special Committee Meetings	Attendance frequency at the general meeting of shareholders
Song Lixin	6	1	5	0	0	No	5	2
Ding Yuan	6	1	5	0	0	No	11	0
Jean Falgoux	6	1	5	0	0	No	14	3

2.2. Information on the site inspection and the cooperation between the Company and independent directors

In 2019, during the preparation of periodic reports by the Company, we carefully listened to the management on the introduction to related issues, got in-depth understanding about the corporate operation and development, then offer constructive opinions and suggestions for proposals deliberated at the meetings of the Board of Directors relying on our professional knowledge and experience in business management, thus fully playing a role of guidance and supervision and promoting the operation's compliance of the Company's internal management.

The management of the Company paid high attention to the communication with us and provided us with periodic information on the Company's production and operation, and the progress of major issues, thus laying a solid foundation for the performance of our duties.

3. Key issues in the annual performance of independent directors

3.1. Significant Investment

For significant investment projects, the independent directors enquire the Company for relevant information of target project, the logistics and expected profit behind the decision, then make professional judgement. For other major projects in progress, i.e. the new platform in Nanjing, we continuously pay attention to their on-going progress. These actions protect the benefit of shareholders, especially the minority shareholders.

3.2. Related transactions

Independent directors provided independent opinions on the day-to-day related transactions in FY2019 of the Company, holding the opinion that the Company in line with regulations, and the day-to-day related transactions of 2019 have been done following the arm-length principle. The transaction prices are based on the market prices, so as to ensure that related transactions are performed in a fair, impartial and open manner. Therefore, the day-to-day related transactions in FY2019 of the Company are in compliance with related laws and regulations, bringing no damage to the interests of stockholders of the Company.

Independent directors provided independent opinions on the material related transactions in FY2019 of the Company: Based on the principles of independence and objective judgment, we hold the opinion that this related-party transaction aligns with the Company's strategies of business and development and relevant laws, regulations and rules; and there is no circumstance that harms the benefits of the Company and its shareholders, especially the minority shareholders. When the Board of Directors deliberated this proposal, related-party directors have abstained from voting. The procedures of deliberation and voting complies with relevant laws, regulations, rules and the Company's Articles of Association.

3.3. External guarantee and fund occupation

Independent directors provided independent opinions on the external guarantee in FY2019 of the Company, holding the opinion that in 2019, the Company did not have any external guarantees, nor provide any guarantee for controlling shareholders, related party who held less than 50% of the Company's shares, any organizations other than legal entities or individuals. The controlling shareholders and their related parties did not occupy funds for non-operational activities.

3.4. Remuneration of senior management personnel

In 2019, the remuneration of senior management personnel of the Company was defined and paid in line with the approved remuneration policy and it is accordance with the actual performance of the Company, which facilitated senior management personnel in improving their sense of duty and entrepreneurial spirit.

3.5. Appointment of and change in the accounting firm

Through inspection and evaluation on the auditing work of KPMG Huazhen LLP, we held the opinion that related personnel of this firm have professional quality, strictly abide by related regulations, follow practice rules, and complete auditing work as planned. We hereby agree to continue appointing KPMG Huazhen LLP as the audit authority of 2020 of the Company.

3.6. Cash dividends and other investor returns

Independent directors provided independent opinions on dividend plan for 2019: the Company’s proposal on dividends distribution is based on comprehensive analysis of operation circumstances, capital requirements, financing cost, external financing environment, interests of minority shareholders and regulatory policies, etc., which fully takes into account the Company’s current and further development, profit scale and demand for investment capital, etc.. The proposal achieved a balance between the business prospects and shareholder return.

The company's two profit distribution plans in 2019 have been successfully implemented, which has effectively improved investors’ return.

3.7. Fulfillment of commitments of the Company and stockholders

The Company and shareholders fulfill their commitments. There is no breach of commitments notes.

3.8. Implementation of information disclosure

In FY2019, the Company fulfilled the duty of information disclosure according to the “*Securities Law of the People’s Republic of China*”, the “*Provisional Regulations on the Administration of Stock Issuance and Transaction*”, the “*Administrative Measures on Information Disclosure by Listed Companies*”, the “*Listing Rules issued by Shanghai Stock Exchange*”, and the “*Transaction Management System for Information Disclosure of the Company*”. The information is disclosed in a timely, effective, truthful and accurate manner, to protect shareholders’ interests.

3.9. Implementation of internal control

The Independent Directors receive the reports from management on C-SOX implementation progress and keep close monitor on it. The Company has further improved the internal control system and applied it effectively. There is no violation against the “*Basic Standards of Internal Control in Enterprises*”, the “*Guideline for Internal Control in Listed Companies*” required by SSE and internal control regulations.

3.10. Operational conditions of the Board of Directors and its special committees

In 2019, the Board of Directors and its special committees actively and earnestly fulfilled their duties. The Company held 6 meetings of the Board of Directors. Such meetings deliberated and passed the 2018 annual report of the Company, the day-to-day related transactions, and the significant investments, which support the business development of the Company. The essential roles of the Audit Committee of the Board of Directors of the Company are to deliberate the 2018 financial report, supervise the preparation of the annual report for FY2019, recommend the engagement of 2019 auditor for the Company, review auditor’s report on 2019 annual audit plan, supervise and evaluate the annual audit of auditors. The primary responsibility of the Strategic Committee is to evaluate management’s business plan and major investment projects, providing their advices. The Remuneration and Appraisal Committee is designed to formulate and enforce the Company's annual assessment remuneration policy.

3.11. Other issues for listed companies to be improved as confirmed by independent directors

None.

4. Overall Evaluation and Suggestions

In 2019, the Company's operating was compliance with rules; the production and the operation were normal; the financial operation was steady; the related transactions were fair, transparent and in arm-length; the information disclosure was true, accurate, complete, and timely. We, as independent directors of the Company, in line with the principle of faith, and fulfilled our duties diligently. Keeping independence in our work, we imposed positive influence on the Company's standardized operation and the corporate governance structure.

In 2020, we will continuously follow the diligent and faithful principles, earnestly carry out our duties, to play an effective role in decision-making and supervision as independent directors. We will protect the legitimate rights and interests of the Company and all shareholders, especially minority shareholders, thus making contributions to the development of the Company.

(In case of discrepancies between the English version and the Chinese version of this announcement, the Chinese version, officially published and disclosed, shall prevail.)