

# **The Detailed Working Rules for the Sustainable Development Committee of the Board of Directors of Yankuang Energy Group Company Limited**

## **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** The Company has established the Sustainable Development Committee of the Board of Directors and formulated these terms to strengthen the Company's corporate governance, environmental and social responsibilities management capabilities and better promote the Company's sustainable development, with reference to the *Code of Corporate Governance of Listed Companies* issued by CSRC, the *Rules Governing the Listing of Securities* issued by HKEX and other relevant provisions.

**Article 2** The Sustainable Development Committee is a special working organ set up by the Board of Directors and is responsible to the Board of Directors. It is mainly responsible for evaluating the Company's corporate governance, environmental and social responsibilities management, as well as the risks and opportunities it faces, and formulating and reviewing the vision, objectives and strategies of the corporate governance and environmental and social responsibilities management of the Company.

## **CHAPTER 2 COMPOSITION OF THE COMMITTEE**

**Article 3** The Sustainable Development Committee comprises three directors.

**Article 4** The members of the Sustainable Development Committee shall be nominated by the Chairman of the Board, more than one-half of independent directors or one-third of all directors, and shall be elected by the Board of Directors.

**Article 5** The Sustainable Development Committee shall have a chairman.

**Article 6** The term of office of each member of the Sustainable Development Committee shall be consistent with the term he or she served in the Board, and the member is eligible for re-election for successive terms upon expiration of the term of office. During the term of office, if any member ceases to hold the post of director of the Company, he or she will automatically lose his or her qualification as a member of the Sustainable Development Committee, and the Committee shall make up the number of members according to the above provisions.

**Article 7** The Secretariat of the Board of Directors of the Company is the working body of the Sustainable Development Committee, which is responsible for the daily work of the

Committee.

### **CHAPTER 3 DUTIES AND POWERS**

**Article 8** In accordance with the regulatory requirements of the places of listing home and abroad, the Sustainable Development Committee of the Board of Directors is mainly responsible for the corporate governance and environmental and social responsibilities management of the Company, and for putting forward relevant opinions and suggestions to the Board of Directors. Specifically, its duties and powers are as follows:

1. To review the Company's policies and strategies regarding corporate governance and environmental and social responsibilities to ensure that they conform to laws, regulations and standards;
2. To assess and sort out risks and opportunities related to the Company's corporate governance and environmental and social responsibilities, and make recommendations to the Board of Directors;
3. To review the Company's corporate governance, environmental and social responsibilities management and internal control system, and make recommendations to the Board of Directors on the appropriateness and effectiveness thereof;
4. To examine the objectives of, and supervise and evaluate the implementation of, the relevant work of the corporate governance and environmental and social responsibilities of the

Company, and make recommendations to the Board of Directors;

5. To review the Company's Social Responsibility Report disclosed to the public and make recommendations to the Board of Directors;

6. To guide the formulation of the vision, objectives and strategies of the corporate governance and environmental and social responsibilities management of the Company, and make recommendations to the Board of Directors;

7. Other duties and powers assigned by the Board of Directors.

#### **CHAPTER 4 DECISION-MAKING PROCEDURES**

**Article 9** The Secretariat of the Board of Directors shall be responsible for the preparatory work for the decision-making of the Sustainable Development Committee, and shall provide material involving the following aspects of the Company:

1. Assessment of risks and opportunities related to the corporate governance and environmental and social responsibilities of the Company;

2. The operation of the corporate governance, environmental and social responsibilities management and internal monitoring system of the Company;

3. The completion of relevant work and objectives of the corporate governance and environmental and social responsibilities of the Company;

4. Information disclosure on the corporate governance and

environmental and social responsibilities of the Company;  
5. Other relevant matters.

**Article 10** The meetings of the Sustainable Development Committee shall review relevant sustainable development work and submit the following resolution materials to the Board of Directors:

1. Whether the risks and opportunities related to the corporate governance and environmental and social responsibilities of the Company are properly managed;
2. Whether the corporate governance, environmental and social responsibilities management and internal monitoring system of the Company are operating effectively; Whether relevant policies and strategies meet the requirements of laws, regulations and standards;
3. Whether relevant work and objectives of the corporate governance and environmental and social responsibilities of the Company have been completed as planned; whether the information disclosed to the public, such as the Social Responsibility Report, is complete and accurate;
4. Other relevant matters.

## **CHAPTER 5 RULES OF PROCEDURE**

**Article 11** The Sustainable Development Committee will hold meetings as required, at least once a year, and a meeting notice to all members shall be issued three days before any such

meeting (excluding the day of the meeting) by fax, e-mail, telephone and personal delivery, etc. The notice shall at least include the time and venue of the meeting, the duration of the meeting, topics to be discussed at the meeting, contact person and contact information of the meeting, the date of the notice of the meeting and other contents, and shall be accompanied by the motions with complete contents. The meetings shall be presided over by the chairman or another member entrusted by the chairman in case that he or she is unable to attend.

**Article 12** The meetings of the Sustainable Development Committee shall be held only when two thirds or more members are present. Each member has one vote. A resolution adopted at any such meeting requires affirmative votes by at least more than half of all members.

**Article 13** The meetings of the Sustainable Development Committee shall be convened under the principle of onsite meeting. Provided that all participating directors can fully communicate and express their opinions, meetings may be convened by way of video, telephone, or other means in accordance with procedures if necessary.

**Article 14** When necessary, other Directors, supervisors and senior management of the Company may be invited to attend the meetings of the Sustainable Development Committee.

**Article 15** If necessary, the Sustainable Development Committee may employ external consulting agencies to provide independent professional opinions for its decision-making, and the cost of which shall be borne by the Company.

**Article 16** The convening procedures, voting methods and motions adopted at the meetings of the Sustainable Development Committee must comply with the provisions of relevant laws, regulations, the Articles of Association and these Working Rules.

**Article 17** The meetings of the Sustainable Development Committee shall be recorded and the members attending the meetings shall sign the minutes. The minutes of the meetings shall be kept by the administrative office of the Sustainable Development Committee.

**Article 18** The motions adopted at the meetings of the Sustainable Development Committee and the voting results thereof shall be submitted to the Board of Directors of the Company in written.

**Article 19** All members present at the meetings have the obligation to keep confidential the matters discussed at the meetings and shall not disclose relevant information without authorization.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 20** In case of any matter not detailed in the Working Rules herein, or any conflict arises with the laws, regulations and the listing regulatory requirements issued from time to time and the Articles of Association, then the laws, regulations and the regulatory requirements and the Articles of Association shall prevail.

**Article 21** The Working Rules are effective since the date of approval by the Board of the Company, and are subject to the interpretation, formulation and amendment by the Board.