



北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

TERMS OF REFERENCE OF THE RISK CONTROL COMMITTEE

1. CONSTITUTION

- 1.1 The Risk Control Committee (the “**Committee**”) was formed pursuant to the resolution passed by the board of directors (the “**Board**”) of Beijing Energy International Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on 23 July 2013.
- 1.2 Adopted on 23 July 2013 (and amend on 16 February 2016, 18 January 2019 and 28 December 2022) in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Companies Ordinance (Cap. 622, Laws of Hong Kong) and the Bye-laws of the Company effective from time to time (collectively the “**Applicable Laws and Regulations**”).

2. MEMBERSHIP

- 2.1 The Committee shall consist of not less than three directors. Members of the Committee shall be recommended and appointed by the Board.
- 2.2 When the number of members of the Committee is less than the stipulated minimum numbers, the Board shall appoint new members as soon as possible.
- 2.3 The Committee shall have a chairman (“**Chairman**”) appointed by the Board. The Chairman shall be responsible for convening and presiding over the meetings of the Committee. When the Chairman is unable to chair a meeting of the Committee, he/she shall designate another member to perform his/her duties on his/her behalf. In the absence of the Chairman and/or a designated member by the Chairman, the remaining members present shall elect one of themselves to chair the meeting of the Committee.
- 2.4 Each member shall hold office until cessation of his/her appointment as decided by the Board.

3. MEETINGS

- 3.1 The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”), who shall be responsible for preparation and coordination of the Committee meetings. The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.
- 3.2 A quorum of a meeting of the Committee shall be any two members. Other directors of the Company (who is not a member of the Committee) may sit in on the meeting, but they are not entitled to vote on the proposals at the meeting.
- 3.3 A member of the Committee may attend the meeting in person, or appoint another member as his/her proxy to attend the meeting and exercise his/her right to vote. A member shall appoint only one other member as his/her proxy to exercise his/her right to vote on each occasion. Appointment of two or more proxies to exercise his/her right to vote shall be invalid.
- 3.4 If a member of the Committee appoints another member as his/her proxy to attend the meeting and exercise his/her right to vote, he/she shall submit a power of attorney to the chairman of the meeting prior to voting at the meeting.
- 3.5 A power of attorney shall be signed by the appointing member and the proxy, and shall include at least the following information:
- (1) the name of the appointing member;
 - (2) the name of the proxy;
 - (3) the scope of the authorisation;
 - (4) the instruction as to how to vote on the proposed resolutions (voting for, voting against or abstaining) and the explanation as to whether the proxy may vote in his/her discretion in the absence of specific instruction;
 - (5) the validity period of the power of attorney; and
 - (6) the date of signing the power of attorney.

- 3.6 A meeting of the Committee shall be convened by the Chairman of the Committee, and a written notice shall be given to all members of the Committee at least three days prior to any such meeting being held unless all members of the Committee unanimously waive such notice or consent to a shorter notice.
- 3.7 A notice of meeting of the Committee shall be given in writing, and shall include at least the following information:
- (1) the time and venue of the meeting;
 - (2) the agenda to be discussed at the meeting;
 - (3) the information and documents related to the agenda, if any;
 - (4) the contact person of the meeting and contact information; and
 - (5) the date of notice of the meeting.
- 3.8 A notice of meeting of the Committee shall be sent by fax, post or email etc. If written objection is not received within two days from the date of the notice, the addressee shall be deemed to have received the notice of meeting.
- 3.9 In the case of an emergency risk event, the chairman of the Board or the Chairman may convene a special meeting without a notice in advance.
- 3.10 The Committee may conduct its meetings by way of physical meeting or by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.
- 3.11 Minutes of a meeting of the Committee shall include at least the following information:
- (1) the date and venue of the meeting and name of the chairman of the meeting;
 - (2) the names of attendees, those attendees who are proxies shall be specified;

- (3) the agenda of the meeting;
- (4) the highlights of the members' speeches;
- (5) the voting method on each resolution or proposal and the corresponding voting results (numbers of votes for, against and abstaining shall be set out); and
- (6) other matters which shall be explained or recorded in the minutes.

3.12 The meeting records of the Committee, including the notice of meeting, meeting materials, the power of attorney for proxy, voting papers, minutes as signed and confirmed by the chairman of the meeting and resolution records, etc., shall be kept by the Secretary. The meeting records of the Committee shall be kept for ten (10) years.

3.13 Before the disclosure of the resolutions of the Committee by the Company in accordance with the statutory procedures, the participating members, the persons sit in on the meeting and the persons taking minutes and providing services, etc. shall keep the contents of the resolutions, the discussions, the proceedings and all documents tabled at the meeting confidential.

3.14 A resolution of the Committee becomes effective upon declaration by the chairman of the meeting that it has been carried by a simple majority and an entry to that effect in the book containing the minutes of the proceedings of the Committee signed by the chairman of the meeting shall be conclusive evidence.

3.15 The Secretary shall maintain written minutes of its meetings. Any participating member shall be entitled to require the explanatory remarks of his/her speech at the meeting to be recorded in the minutes.

4. ATTENDANCE AT MEETINGS

4.1 The Committee may invite other directors and senior management (include the general managers, deputy general managers, company secretaries and financial controllers of any member of the Group) of the Company to sit in on its meeting if it considers necessary.

4.2 The Committee shall regularly discuss with the head of internal audit and company secretary or such other members of the management in respect of the risk management and internal control systems and investigation findings.

- 4.3 If the chairman of the meeting considers necessary, he/she may require other persons related to a proposal to sit in on the meeting to give introduction or express their opinions, but non-members are not entitled to vote on the proposal.
- 4.4 Participating members shall consider and sufficiently express their personal opinions on a proposal in a serious and conscientious manner, and be responsible for their own votes.

5. VOTING

- 5.1 In voting, each member of the Committee shall have one vote. A resolution of the Committee shall be passed by a simple majority votes cast by all members attending the meeting.
- 5.2 All resolutions proposed at the meeting of the Committee shall be voted on one by one in sequence considered by all participating members and bundling of unrelated matters shall be discouraged.
- 5.3 Where a member of the Committee or his/her close relatives or other entity controlled by the member of the Committee or his/her close relatives has direct or indirect interest in the matters to be discussed at the meeting, such member shall disclose the nature and extent of such interest to the Committee as soon as possible. The term “close relatives” as referred to in the previous clause shall include a member’s immediate family members and family members within the meaning of Chapter 14A of the Listing Rules.
- 5.4 Upon the occurrence of the above situation, the interested member shall provide a detailed explanation of the situation at the meeting and shall specify that he will abstain from voting. However, if the other members of the Committee unanimously agree that such interest will not have material impact on the matters to be voted on after discussion, the interested member may vote.
- 5.5 When a quorum is not met after the interested member’s abstention, all members (including the interested member) shall resolve on the procedural issues such as the submission of such proposals to the Board for consideration, and the Board shall consider such proposals.
- 5.6 The minutes and resolutions of the Committee shall specify the abstention of the interested member.

6. AUTHORITY

- 6.1 During adjournment of the meetings, a member of the Committee may conduct necessary follow-up procedures on matters such as significant investment projects, implementation of the risk management and internal control systems, material operations and financial position of the Company. All relevant departments of the Company shall actively cooperate with and timely provide the required information to the member.
- 6.2 A member of the Committee shall be entitled to inspect the following relevant information:
- (1) the annual business plan, investment plan and business objectives of the Group;
 - (2) the financial statements of the Group;
 - (3) the management systems of the Group, including and not limited to internal control and risk management systems;
 - (4) other relevant information for the performance of duties of the Committee.
- 6.3 A member of the Committee may make an inquiry to or question the senior management about certain issue, and the senior management shall give a timely reply or explanation.
- 6.4 The Committee shall be provided with sufficient resources to perform its duties and shall have access, at the Company's expense, to independent advice if necessary. When the Committee performs its duties, the relevant departments of the Company shall cooperate and provide assistance as required.

7. DUTIES & RESPONSIBILITIES

In order to establish and improve the risk management and internal control systems of the Group, to oversee and strengthen the risk management and internal control systems as integrated in the operation and decision-making of the Company on an ongoing basis, and to evaluate and enhance the effectiveness of risk management and internal controls systems of the Group, the Committee shall have following primarily duties and responsibilities: –

- (i) assisting the Board in evaluating and deciding the risk level and risk appetite of the Group in achieving its strategic and business objectives;

- (ii) identification, mitigation and control of risks associated with significant investments, material operation and financial matters and other major activities of the Group;
- (iii) reviewing and conducting risk assessment on the significant investment projects, material operation and financial matters and other major decisions affecting the risk profile and exposure of the Group that require Board approval and make recommendations to the Board so as to enable the Board to make decisions with considered basis;
- (iv) conducting annual review on the nature and extent of the risks associated with the development, operation and other activities of the Group in achieving its strategic or business objectives or targets and make recommendations to the Board;
- (v) identifying weakness in the risk management and internal control systems and reviewing major investigation findings on risk management and the extent to which they have resulted in unforeseen outcomes or contingencies that could have a material impact on the business or financial performance or condition of the Group and considering the management's response to these findings; and
- (vi) other matters entrusted by the Board.

In exercising its authority, the Committee shall comply with the requirements of the Applicable Laws and Regulations and these terms of reference, and shall not impair the legitimate interests of the Company and its shareholders.

8. REPORTING PROCEDURES

- 8.1 The Chairman or Secretary shall report to the Board on the resolutions no later than the next meeting of the Board after the meeting of the Committee.
- 8.2 In the implementation of resolutions of the Committee, the chairman of the meeting or another member as he/she designates shall conduct a follow-up inspection on the implementation of the resolution. Where violation of the resolution is found, rectification may be demanded from the persons concerned. If the persons concerned fail to accept such request, the chairman of the meeting or his/her designated member shall report the situation to the Board as soon as applicable, who shall be responsible for addressing the situation.

If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.