The English version of this Rules of Procedures is an unofficial translation of its Chinese version prepared for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

# Shenyang Public Utility Holdings Company Limited

## **Rules of Procedures for the Supervisory Committee**

January 30, 2024

### **CHAPTER 1 GENERAL PROVISIONS**

Article 1 To further regulate the rules of procedure and decision-making of the supervisory committee of Shenyang Public Utility Holdings Company Limited (hereinafter referred to as the "Company"), ensure the supervisors and the supervisory committee of the Company to effectively perform their supervisory duties and improve the governance structure of the Company, these rules are formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China, the Guidance for the Articles of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Articles of Association of Shenyang Public Utility Holdings Company Limited (hereinafter referred to as the "Articles of Association") and other pertinent requirements in the listing place of the Company or stock exchange, taking into account the Company's conditions.

Article 2 The supervisory committee shall be accountable to the shareholders' general meeting and is the supervisory body of the Company. It shall supervise the financial operations of the Company and the discharging of duties by the directors and senior management of the Company, and protects the interests of the shareholders and the Company and the legitimate rights and interests of the employees.

#### **CHAPTER 2 SUPERVISORS AND SUPERVISORY COMMITTEE**

Article 3 The supervisory committee consists of three supervisors, of which two are shareholders' representative supervisors and one is employees' representative supervisor. Shareholders' representative supervisors shall be elected and removed by the shareholders' general meeting, and employees' representative supervisors shall be elected and removed by the employees of the Company through the employees' representative meeting, employees' meeting or other forms of democratic election. The term of office of a supervisor is three years, and, upon the expiry of the term, may be re-elected and re-appointed.

Article 4 Supervisors shall have the rights to access operation information of the Company and undertake corresponding confidentiality obligations. The Company shall take measures to ensure the supervisors' right to information and provide necessary assistance for supervisors to duly perform their duties. No person shall be allowed to interfere with or obstruct it.

Article 5 The supervisory committee shall have one chairman elected by more than half of the members of the supervisors.

Article 6 The supervisory committee shall exercise the following functions and powers:

- (1) to review and give written comments to regular reports of the Company prepared by the board of directors;
- (2) to inspect the financial position of the Company;
- (3) to supervise performance of duties of the Company by directors and senior management, and propose the termination of appointment of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting;
- (4) to require the directors and senior management to restore damages they have caused to the interests of the Company;
- (5) to propose the convening of the extraordinary general meeting, and to convene and preside over the shareholders' general meeting when the board of directors fails to perform the duty of convening and preside over the shareholders' general meeting under the Company Law;
- (6) to make proposals to the shareholders' general meeting;
- (7) to bring actions against directors and senior management pursuant to the relevant provisions of the Company Law;
- (8) to conduct investigation when unusual operation condition of the Company is noticed, and if necessary, engage professional organizations such as accounting firm and law firm for assistance, fee of which shall be undertaken by the Company;
- (9) other functions and powers conferred by laws, regulations, the Hong Kong Listing Rules or the Articles of Association.

The chairman of the supervisory committee shall exercise the following powers:

- (1) to convene and preside over meetings of the supervisory committee;
- (2) to organizing the performance of the duties of the supervisory committee;
- (3) to consider, approve and sign the reports of the supervisory committee as well as other important documents;
- (4) to report to the shareholders' general meeting on behalf of the supervisory committee;

(5) other duties required to be performed in accordance with laws and regulations, the Hong Kong Listing Rules and the Articles of Association.

In the event that the chairman of the supervisory committee is unable to or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall perform his/her duties.

Article 7 A supervisor may resign before the expiration of his/her term of office, provided that a written resignation report in respect of his/her resignation shall be submitted to the supervisory committee.

Save for the circumstances stated in the Articles of Association and these Rules, the resignation of a supervisor shall become effective upon receipt of the resignation report by the supervisory committee.

Article 8 If a supervisor resigns or if his/her term of office expires, the said supervisor shall go through all handover formalities with the supervisory committee. His/her duties of loyalty to the Company and shareholders shall not be necessarily discharged upon expiration of his/her term of office, and shall remain valid for a reasonable period as stipulated in the Articles of Association; his/her obligation of confidentiality in respect of the Company's trade secrets survives upon the expiry of his term of office until the same falls into public domain.

Article 9 A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association until a re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiration of his/her term of office or if the resignation of supervisors before his/her tenure ends results in the number of supervisors being less than the quorum.

Article 10 The office of the board of directors of the Company is responsible for handling the daily affairs of the supervisory committee.

Article 11 the supervisory committee can carry out supervision and inspection by the following ways:

- (1) to listen to the report of the person in charge of the Company on the financial and asset conditions and operation management;
- (2) to access to financial and accounting reports, accounting documents, account books and other information about the operation and management of the Company;
- (3) to verify the financial and asset conditions of the Company, obtain information from and listen to opinions of the employees, and, if necessary, ask the person in charge of the Company to make explanations;

(4) to obtain information about the financial position and operation and management from relevant departments of the Company such as finance, taxation, audit and banking.

Article 12 The reasonable costs necessary for performing duties by the supervisory committee shall be borne by the Company. The Company shall prepare a special budget for the supervisory committee to provide funds for the work of the supervisory committee.

The Company shall provide necessary protection for the supervisory committee to perform its duties for the organization, and all departments and staff of the Company shall actively cooperate with the supervisory committee to carry out their work and accept inquiries and investigations.

The Company shall establish an information transfer mechanism to transfer financial and operating information to the supervisory committee so as to facilitate the supervisory committee to obtain effective information in a timely and comprehensive manner.

# CHAPTER 3 CONVENING AND NOTICE OF THE MEETINGS OF THE SUPERVISORY COMMITTEE

Article 13 Meetings of the supervisory committee include regular meetings and extraordinary meetings.

Regular meetings of the supervisory committee shall be held at least once every six months. Under any of the following circumstances, the supervisory committee shall convene an extraordinary meeting within ten days:

- (1) if the chairman of the supervisory committee deems necessary;
- (2) proposed to convene a meeting by more than two thirds of the supervisors;
- (3) if any directors and senior management violate laws, regulations, the Hong Kong Listing Rules or the Articles of Association which may cause serious damage to the interests of the Company;
- (4) if actions are brought by shareholders to the Company, directors, supervisors and senior management;
- (5) if there has been or is significant loss of assets of the Company and the interests of the shareholders are harmed;
- (6) if the securities regulatory authority requires holding such a meeting;
- (7) if any other circumstance so specified in the laws and regulations, the Hong Kong Listing Rules and the Articles of Association.

#### Article 14 Proposals to Regular Meetings

Before sending the notice of regular meeting of the supervisory committee, the office of the supervisory committee shall collect proposals from all the supervisors and timely submit them to the chairman of the supervisory committee, who shall decide whether to submit the same to the supervisory committee for consideration.

Article 15 Procedure for proposing extraordinary meetings:

Any proposal of any supervisor for convening an extraordinary meeting of the supervisory committee shall be made in written form, affixed with the signature of the said supervisor and submitted via the office of the supervisory committee or directly to the chairman of the supervisory committee. The written request shall include the following contents:

- (1) the name of the proposing Supervisor;
- (2) reason or objective circumstance for the proposal;
- (3) time or time limit, venue or form of the meeting proposed;
- (4) clear and specific proposals;
- (5) contact methods of the proposing Supervisor and request date, etc.

Article 16 Proposals of the supervisory committee shall satisfy the following conditions:

- (1) contents of the proposal shall not contravene with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, and fall within the scope of business of the Company and the scope of duties of the supervisory committee;
- (2) the proposal shall have specific topics and detailed matters for consideration.

Article 17 Convening and presiding of meetings:

Meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee; where the chairman of the supervisory committee cannot or does not fulfill the duty thereof, the majority of the supervisors may elect a supervisor to convene and preside. After the re-election of the supervisory committee at the shareholders' general meeting, the supervisor with the largest number of votes in favor of at the shareholders' general meeting shall preside over the meeting and elect the chairman of the supervisory committee.

Article 18 The office of the supervisory committee shall send the written notice of meeting to all the supervisors by direct delivery, fax, email or other means ten days and five days before a regular meeting and an extraordinary meeting of the supervisory committee respectively.

Where an extraordinary meeting of the supervisory committee needs to be convened in emergency, the notice of meeting may be sent by verbal means or by telephone, but the convener shall make explanations at the meeting.

If a supervisor has attended the meeting and raised no objection as to their not receiving the notice of the meeting either prior to or at the time of arriving at the meeting, the notice of the meeting shall be deemed to have been sent to such supervisor.

Article 19 A written notice of meeting shall at least include:

- (1) date, venue and duration of the meeting;
- (2) reasons and issues;
- (3) convener and presider of the meeting, proposer of and written proposal for the extraordinary meeting;
- (4) documents needed for voting of supervisors;
- (5) the requirements for the supervisor to attend the meeting in person or entrust other supervisor to attend the meeting on his/her behalf;
- (6) contact person and means of contact;
- (7) date of issuance of notice.

Oral meeting notice shall at least include Items (1) and (2) above, and the explanation that an extraordinary meeting of the supervisory committee shall be held as early as possible under the urgent circumstances.

Article 20 After the issuance of the written notice of the regular meeting of the supervisory committee, any changes of the time and location or any additions, changes or cancellations of the meeting proposals, a written change notice shall be issued three days before the original meeting date for the purpose of explaining the situation and new proposed content and related materials. If it is less than three days, the meeting date shall be postponed accordingly or held as scheduled after obtaining the approval of all attending supervisors.

After the issuance of the notice of the extraordinary meeting of the supervisory committee, any changes of the time and location or any additions, changes or cancellations of the meeting proposals, the approval of all attending supervisors shall be obtained in advance and corresponding records shall be kept.

## CHAPTER 4 PROCEDURES FOR CONSIDERATION AND VOTING AT THE MEETING OF THE SUPERVISORY COMMITTEE

#### Article 21 Form of meeting:

Meetings of the supervisory committee shall generally be held on site. On the premise of ensuring that supervisors can fully express their opinions, written voting may be adopted instead of holding physical meetings of the supervisory committee. However, the proposals submitted for written voting must be complete, comprehensive and be delivered to each supervisor personally, by mail, fax or electronic communication. If the supervisory committee has distributed the proposed resolutions of the supervisory committee to all supervisors, and the number of supervisors who signed and agreed has reached the number required for making the resolution in accordance with the provisions of the Articles of Association, the resolution of the supervisory committee shall be valid without the need to further convene a meeting of the supervisory committee.

In an emergency, the meeting of the supervisory committee may be voted by correspondence, but the convener shall explain the specific emergency situation to the attending supervisors. When voting by correspondence, supervisors shall fax their written opinions and voting intentions on the matters under consideration to the office of the board of directors upon signing. Supervisors shall not only state their voting opinions without expressing their written opinions or reasons for voting.

Article 22 Convening the meeting:

A meeting of the supervisory committee may not be held unless more than half of the supervisors are present.

The secretary to the board of directors shall be present at the meeting of the supervisory committee.

Article 23 The supervisors shall attend the meeting of the supervisory committee in person. If the supervisor cannot attend the meeting for any reason, he/she shall entrust other supervisors through a written power of attorney to attend on his/her behalf.

The power of attorney shall contain:

- (1) The names of the principal and trustee;
- (2) The brief opinion of the principal on each proposal;

- (3) The authority granted by the principal and the instruction for the voting on the proposals;
- (4) The validity period of the authorization;
- (5) Whether the trustee has the voting right for the proposal not included in the meeting agenda of the supervisory committee, and if yes, the specific instructions for the exercise of the voting right;
- (6) The signature of the principal and the date.

The entrusted supervisor shall submit a written power of attorney to the convener (the chairman), stating the details of such authorization on the attendance list of the meeting. The supervisor attending the meeting on behalf of other supervisors shall exercise the rights of supervisor within the scope of authority.

If a supervisor fails to attend a meeting of the supervisory committee nor entrusts any proxy to attend, he/she is deemed to give up the voting right at the meeting.

Article 24 The supervisor shall not entrust other supervisors to attend the meeting on his/her behalf through carte blanche without specifying his/her opinion and voting intention on the proposals, and the relevant supervisor shall not accept the delegation through carte blanche without clear scope of authority. Each supervisor shall only accept the delegation by one supervisor. Supervisors shall not entrust those supervisors who have accepted the delegation by other supervisors to attend the meeting on their behalf.

Article 25 Consideration procedures of the meeting:

The chairman of the meeting shall declare the start of the meeting at the scheduled time. When the meeting has officially started, the attending supervisors shall firstly reach consensus on the agenda.

If more than half of the attending supervisors believe that any proposal is unclear and not specific or it is unable to make judgment on the relevant matters because the meeting materials are insufficient or due to other causes, they can jointly propose to suspend such proposal, and the chairman of the meeting shall accept their request. The supervisors who propose to suspend the proposal shall provide clear requirements on the conditions that the relevant proposal shall meet in the reconsideration.

The chairman of the meeting shall ask the attending supervisors to provide clear opinions on each proposal.

Unless obtaining unanimous consent of all the attending supervisors, the meeting of the supervisory committee shall not vote on the proposals not included in the meeting notice. The supervisor attending the meeting on behalf of other supervisors shall not vote on the proposal not included in the meeting notice on behalf of other supervisors, unless it is otherwise specified in the power of attorney.

The chairman of the meeting shall, based on the proposal of the supervisors, ask the directors, senior management and other employees of the Company or the specialist of the relevant intermediary body to attend the meeting, make necessary explanations on the relevant matters and answer the questions raised by the supervisory committee.

Article 26 Each attendee shall cast one vote at the meetings of the supervisory committee. For several parallel or different matters contained in the same proposal, the supervisory committee may consider and vote on them separately.

Voting at the physical meeting of the supervisory committee (including video conferences) may take the form of raising hands or registered ballot. In the event that a supervisor attends a physical meeting by telephone conference or by means of similar communication equipment, all attending supervisors shall be deemed to have attended the meeting in person, so long as the attending supervisors can hear and communicate with each other. On the premise of ensuring that supervisors can fully express their opinions, meetings of the supervisory committee may be held through correspondence voting and resolutions must be signed by the attending supervisors. Voting by correspondence shall stipulate the effective time limit for voting. Supervisors who fail to express their opinions within the specified time limit shall be deemed to have abstained from voting.

The voting intent of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one out of the aforesaid intents. Where any supervisor does not make any option or makes two or more options, the presider shall require the said supervisor to make an option again, otherwise the said supervisor shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting. If the voting intent is con or abstention, the reasons shall be stated in writing.

Unless otherwise provided by laws, administrative regulations or the Hong Kong Listing Rules, the resolutions of the supervisory committee shall be passed by more than half of the supervisors.

Article 27 The supervisory committee shall act as authorized by the shareholders' general meetings and the Articles of Association, and shall not make any resolution beyond authority.

Article 28 Relevant staff of the office of the board of directors or other departments designated by the board of directors shall collect the supervisors' voting ballots immediately after voting by the supervisors attending the meeting, and submit to the chairman of the meeting for counting under the supervision of one supervisor.

When the meeting is held on site, the presider shall announce the voting result on the spot, and shall, under other circumstances, notify the supervisors of the voting result on the next working day after the expiry of the voting period.

If a supervisor votes after the presider has announced the voting result or after the expiry of the voting period, his/her voting ballots will not be included.

Article 29 The whole process of the meeting of the supervisory committee may be recorded in audio when necessary.

### **CHAPTER 5 MINUTES OF THE SUPERVISORY COMMITTEE**

Article 30 The meeting minutes of the supervisory committee shall be kept by the staff of the office of the board of directors. When the staff of the office of the board of directors is unable to attend or keep the minutes of the meeting for any reason, the chairman of the supervisory committee or the chairman of the meeting shall designate another suitable person to keep the minutes.

Article 31 The minutes of the meeting of the supervisory committee shall record the actual situation of the meeting completely and accurately as well as the opinions and suggestions of the supervisors attending the meeting. Minutes of the meeting shall include at least the following information:

- (1) the time, venue and form of the meeting;
- (2) sending of the notice of meeting;
- (3) the convener and presider of the meeting;
- (4) attendance of the meeting;
- (5) procedure and process of the meeting;
- (6) the proposals considered at the meeting, the key points and main opinions of each supervisor on relevant matters and the voting intention on the proposals;
- (7) the voting method and result for each proposal (the voting result shall set out the respective numbers of pros, cons and abstentions);
- (8) Other matters that the attending supervisors think should be included into the minutes.

Article 32 Supervisors attending the meeting shall sign the minutes of the meeting for confirmation. If there is disagreement on the minutes, the supervisors can make written statements when signing.

If a supervisor neither signs the minutes pursuant to the aforesaid clause nor makes a written statement of his/her dissenting opinions, the supervisor shall be deemed to fully agree to the minutes.

Article 33 Keeping of meeting archives:

Archives of meetings of the supervisory committee including meeting notice and materials, attendance book, the power of attorney authorizing proxy supervisors to attend the meeting, meeting recordings, voting ballots, minutes signed by present supervisors and announcement of resolutions, etc., shall be kept by a person designated by the chairman of the supervisory committee with the storage life not less than ten years.

Article 34 Supervisors have the right to access to the minutes of the meetings of the supervisory committee.

### **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

Article 35 In the event that any matters not contained in these rules and provisions of these rules conflict with laws and regulations promulgated or amended after these rules come into force, the Hong Kong Listing Rules or the Articles of Association formulated or amended through legal procedures, the laws and regulations, the Hong Kong Listing Rules and the Articles of Association shall be implemented.

Article 36 Revisions to these rules shall be drafted by the supervisory committee and shall take effect after being proposed to the shareholders' general meeting for approval.

Article 37 The right to interpret these rules shall vest in the supervisory committee.

Article 38 These rules shall come into force as of the date of approval at the shareholders' general meeting.