

Rules of Procedures for the Board of Directors of Yankuang Energy Group Company Limited

(Deliberated and Approved at the 2023 Annual General Meeting of Shareholders of the Company)

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Chapter 1 General Provisions

Article 1 These rules of meetings are formulated in accordance with the “Company Law of the People’s Republic of China”, the “Governing Guideline of Listed Companies” and the governing laws and regulations of the place where the shares of Yankuang Energy Group Company Limited (the “Company”) are listed, together with the Articles of Association and the established practice of the Company. The purposes of these rules are to ensure the efficient operation and scientific decision of the Board, to standardize the operational procedures of the Board and internal organizations, and to bring in full play the pivotal function of the Board in making operational decision.

Article 2 The board of directors is the main body for the operational decision-making of the Company, establishing strategies, making decisions, and managing risks. It exercises the decision-making power over major issues of the Company in accordance with statutory procedures and the Company's articles of association, and strengthens the management and supervision of the management team. Directors have a duty of integrity and diligence to the Company. They should safeguard the interests of shareholders and the Company, ensuring that they dedicate sufficient time and efforts to fulfill their respective responsibilities.

Article 3 The Company's Party Committee plays a leadership role, setting the direction, managing the overall situation, and ensuring implementation. It discusses and decides on major corporate matters in accordance with regulations. Significant business management issues must be studied and discussed by the Party Committee in advance, after which the board of directors will make resolutions according to their terms of reference and the prescribed procedures.

Article 4 The board of directors is the standing body of the Company, consisting of eleven directors, including four independent directors and one employee director. There is one chairman and one vice-chairman.

Article 5 The board of directors shall operate independently, report its work to the shareholders in general meeting, and is accountable to the shareholders in general meeting.

Chapter 2 Duties and Powers of the Board of Directors

Article 6 The Board takes responsibilities for the shareholders in a general meeting and exercises the following powers and duties: (For specific details, see Attachment 1: "Board Meeting Agenda").

(1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meeting;

(2) to implement the resolutions passed by the shareholders in general meeting;

(3) to determine the Company's business plans and investment proposals;

(4) to formulate the Company's annual preliminary and final financial budgets;

(5) to formulate the Company's profit distribution proposal and loss recovery proposal;

(6) to formulate proposals for the increase or reduction of the Company's registered capital, for the issuance of the Company's debentures or other securities and the listing of the Company;

(7) to draw up plans for the substantial acquisition, repurchasing of shares, merger, division or dissolution of the Company and alternation of forms of the Company;

(8) to decide on the Company's internal management structure; decide on the establishment or dissolution of branches and other institutions.

(9) in accordance with relevant regulations and procedures, to appoint or remove the Company's general manager and secretary of the Board and to appoint or remove the deputy general manager(s) and other senior officers based on the recommendations of the general manager, to determine their remuneration and matters relating to awards and penalty;

(10) to formulate the Company's basic management system;

(11) to formulate proposals for any amendment of the Company's Articles of Association;

(12) to decide on the Company's business involving external investments, purchase and sale of assets, mortgages of assets and external guarantees, entrusting financing, connected transactions and donation within the authority conferred by the shareholders' general meeting.

(13) to manage disclosure of the Company's information;

(14) to recommend in the shareholders' general meeting the appointment or replacement of the Company's accounting firm;

(15) to hear the working report of the Company's management and examine their performance; establish and improve the accountability system for the management team.

(16) to approve an aggregate amount of provision for impairment of assets more than 10% of the latest audited absolute net profit of the Company, to clear an amount of provision for impairment of assets more than 5% of the latest audited absolute net profit of the Company, and to comply with the relevant regulations on connected transaction if any provision and clearance of impairment of assets involves any connected transactions;

(17) to take responsibilities in matters related to corporate governance, including: (1) formulating and reviewing the Company's corporate governance policies and practices; (2) reviewing and monitoring the training and continuous professional development of directors and senior management; (3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) for employees and directors; and (5) reviewing the company's compliance with the Corporate Governance Code of the place where the securities are listed and the disclosure in the Corporate Governance Report;

(18) Formulate significant revenue distribution plans for the Company, including the total budget and settlement plan for employee wages, and approve employee income distribution plans and Company pension schemes. When the board of directors discusses and decides on issues related to employee wages, benefits, insurance, and other matters concerning the vital interests of employees, if it is required by relevant national regulations to be reviewed or approved by a general assembly of employees or a representative assembly of employees, the board shall follow the relevant procedures before approving or making resolutions..

(19) Determine the Company's risk management system, internal control system, accountability system for illegal operations and investments, and legal compliance management system. Guide, inspect, and evaluate the Company's internal audit work, review the internal audit reports, and establish a mechanism for the audit department to be accountable to the board of directors. Provide overall supervision and evaluation of the Company's risk management, internal control, and legal compliance management systems and their effective implementation.

(20) Other powers granted by laws, administrative regulations, departmental rules, the Company's articles of association, and the shareholders' general meeting.

Unless otherwise stipulated in the Articles of Associations, other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.

Article 7 The Board shall decide the limit on external investment, mortgages of assets and external guarantees, entrusting financing, connected transactions and donation of the Company and shall establish strict examination and decision-making procedures. Material investment projects shall be assessed by the relevant experts and professional advisers and shall be approved in a shareholders' general meeting.

Article 8 With the approval over two-thirds of all directors, the Board may decide on the following matters:

(1) transactions falling within the following limit (whichever is stricter) with respect to purchase or sale of assets, external investment (including entrusted financial management), leasing of assets as lessor or lessee, restructuring of claims or debts, giving or receiving assets as a gift, entrusted or trusted asset or business management, entering of license agreement, transferring or accepting the transfer of research and development projects:

1. the aggregate assets value (where book value and assessed value are available, whichever is higher) involved in a single transaction with amount more than 10% and below 50% of the Company's latest audited total asset value prepared in accordance with the CASs (Chinese Accounting Standards); or more than 5% and less than 25% of the Company's latest published total assets value prepared in accordance with the International Financial Reporting Standards;

2. the net assets (when both book value and assessed value are available, the one of higher value shall prevail) involved in a single transaction (such as equity) with amount more than 10% and below 50% of the Company's latest audited net assets; or more than 5% but less than 25% of the total market value of the Company (which is calculated on basis of the average closing prices of the Company's corresponding classes of shares for the five business days immediately preceding the date of the transaction);

3. the amount of a single transaction (including liabilities and expenses) accounts for more than 10% and less than 50% of the Company's latest audited net asset value prepared in accordance with the CASs; or more than 5% and less than 25% of the total

market capital of the Company (which is calculated by the average closing prices of the Company's respective classes of shares for the five business days immediately preceding the date of a transaction);

4. the profit generated from the transaction with amount more than 10% and below 50% of the Company's audited net profit for the latest financial year prepared in accordance with the Chinese Accounting Standards; or more than 5% and less than 25% of the audited net profit for the latest financial year prepared in accordance with the International Financial Reporting Standards;

5. the latest annual income from principal operations of the subject of a single transaction accounted for more than 10% and less than 50% of the Company's latest audited income from principal operations for the latest financial year prepared in accordance with the CASs; or more than 5% and less than 25% of the Company's latest audited income from principal operations for the latest financial year prepared in accordance with the International Financial Reporting Standards;

6. the latest annual net profit of the subject of a single transaction accounted for more than 10% and less than 50% of the Company's latest audited net profit for the latest financial year prepared in accordance with the CASs; or more than 5% and less than 25% of the Company's latest audited net profit for the latest financial year prepared in accordance with the International Financial Reporting Standards.

The above transactions which involve public offer of securities that requires the approval of the relevant regulatory authorities under the State Council shall be subject to approval of the shareholders' general meeting;

(2) a single loan of more than 10% and less than 25% of the Company's latest audited net asset value and the debt ratio to the Company's assets remains under 80% after such financing;

the mutual provision of loans among overseas subsidiaries of the Company, where the accumulative amount of such mutual loans in 12 consecutive months account for more than 25% and less than 50% of the latest audited net asset value of the Company calculated on the basis of PRC accounting standards, provided that such mutual loans are in compliance with laws, rules and relevant regulations of the relevant place(s) of incorporation of such overseas subsidiaries;

(3) mortgages or pledges of assets the cumulative outstanding amount of which is less than 30% of the Company's most recently audited net asset value;

(4) external guarantees or financial assistance not within the approval limit of the shareholders' general meeting as provided in the Articles of Association;

(5) the connected transactions shall be conducted in accordance with the relevant regulations of competent securities authorities under the State Council and the listing rules of the stock exchanges.

When the Company conducts other transactions apart from the provision of guarantees and financial assistance and entrusted financial management, applicable approval limit proportion of the board of directors regarding each transaction which is under the same category shall be calculated on the principle of accrued basis for twelve consecutive months. Transactions already approved by the Company in accordance with the principle of accrued basis shall not be included in the scope of accrual calculation. Provision of regulatory authorities the Company is subject to within and outside the PRC that is of a stricter standard than this Article of Association shall apply accordingly.

Article 9: The board of directors shall establish a sound closed-loop management system for strategic planning research, formulation, implementation, and evaluation. Specifically, this includes:

1. Adapting to the needs of optimizing the layout and adjusting the structure of the state-owned economy, following the laws of the market economy and the laws of enterprise development, conducting in-depth research, and overall planning the strategic positioning and development direction of the enterprise.

2. Focusing on the main responsibilities and core business, organizing the formulation of corporate strategic planning to continuously enhance the core competitiveness of the enterprise.

3. Promoting the effective implementation of strategic planning, regularly listening to reports on the implementation of the management, promptly correcting deviations in implementation, and ensuring that major operational and investment activities of the enterprise conform to the strategic planning and core business.

4. Conducting regular evaluations of strategic planning and adjusting and improving them when necessary.

Article 10: The board of directors shall establish a communication and coordination mechanism with the Company's Party committee and management team to ensure the efficient and orderly operation of the Company.

Chapter 3 Duties and Powers of Chairman

Article 11 The Chairman and Vice-chairman of the board of directors shall be elected and dismissed by more than one-half of all members of the board of directors. The term of office of the Chairman and Vice-chairman shall be three (3) years, which is renewable upon re-election.

Article 12 The Chairman of the board of directors exercises the following duties and powers:

(1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;

(2) to check on the implementation of resolutions passed by the board of directors at directors' meetings;

(3) to sign the securities certificates issued by the Company;

(4) to sign the important documents of the board of directors and other documents which should be signed by the Company's legal representative;

(5) to exercise the rights of the legal representative;

(6) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to the laws and the Company's interest; and to report to the Company's board of directors and shareholders' general meeting afterwards;

(7) to exercise other powers conferred by the board of directors.

Article 13 The vice chairman shall assist the chairman in his work. Where the chairman is unable to or does not perform the duty, the vice chairman shall preside the meeting. Where the vice chairman is unable to or does not perform the duty, a director nominated by more than one-half of the directors shall perform the duty.

Chapter 4 Special Duties and Powers of Independent Directors

Article 14: Independent directors shall exercise the following special powers:

- (1) Independently engage intermediary agencies to audit, consult, or verify specific matters of the Company.
- (2) Propose the convening of an extraordinary general meeting of shareholders to the board of directors.
- (3) Propose the convening of a board meeting.
- (4) Lawfully solicit shareholder rights from shareholders publicly.
- (5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders.
- (6) Other powers stipulated by laws, administrative regulations, rules of the China Securities Regulatory Commission, and the Company's articles of association.

When independent directors exercise the powers listed in the preceding paragraph from (1) to (3), the consent of the majority of all independent directors shall be obtained.

When exercising the powers listed in the first paragraph, the Company shall promptly disclose it. If the above-mentioned powers cannot be exercised normally, the Company shall disclose the specific status and reasons thereof.

Article 15 The independent directors shall express their independent opinion to the Company's shareholders, board of directors or regulatory organizations on relevant matters in accordance with the regulatory provisions of the place where the Company's shares are listed.

Chapter 5 Obligations and Responsibilities of Directors

Article 16 Directors must observe laws, regulations and the Articles of Association and shall owe the following fiduciary duties to the Company:

(1) Directors shall not receive bribes or other unlawful income nor appropriate property of the Company;

(2) Directors shall not embezzle capital of the Company;

(3) Directors shall not open savings account in their personal or other individuals' interests by using property or capital of the Company;

(4) Directors shall not provide loans to others using capital of the Company or provide guarantee by using assets of the Company in breach of Articles of Associations prior to the approval of shareholders' meeting or board meeting;

(5) Directors shall not enter into contracts or transactions with the Company without the prior approval of the shareholders in a general meeting in breach of the Articles of Association of the Company;

(6) Without the approval of shareholders' meeting, directors shall not take business opportunities belonging to the Company which the director obtains through his position, whether for himself or others, nor shall he engage in the same business as the Company;

(7) Directors shall not accept the commissions arising from transactions with the Company;

(8) Directors shall not disclose the Company's confidential information without the Company's approval;

(9) Directors are not allowed to infringe Company's interests by relationship with the Company;

(10) Directors must observe other duties of loyalty as stipulated by laws, executive regulations, department rules and the Articles of Associations.

Directors shall account to the Company for any profits obtained by virtue of any breach of this Article and shall compensate the Company for any loss caused by such breach.

Article 17 Directors shall observe laws, executive regulations and Articles of Association and owe the following duties of care to the Company:

(1) The directors should exercise their powers in a cautious and diligent manner so that the business activities of the Company comply with the national laws, executive regulations and various economic policies and do not exceed the business areas allowed in the operation license;

(2) Directors should treat all the shareholders equally;

(3) Directors should have an updated knowledge of the operation and management of the Company's business;

(4) Directors should sign written confirmation on Company's periodic report and ensure that the information contained therein is true, accurate and complete;

(5) Directors should provide information to the supervisory committee of the Company and shall not in any way impede the supervisory committee of the Company or supervisors in their performance of their duties;

(6) Directors should perform other duties stipulated by laws, administrative regulations, department rules and Articles of Associations of the Company.

Article 18 Directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Company's Articles of Association of the Company and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefore. However, if it can be proved that a director expressly objected to and voted against the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability. The directors who abstained from voting on the resolution when it was being considered (except those directors who abstained from voting pursuant to regulatory provisions), and who expressly objected to the resolution but did not explicitly vote against the resolution, shall not be exempted from such liability.

Article 19 Where the Company fails to disclose information according to the regulatory provisions or the information disclosed contains false record, misleading statement or material omission, the regulatory organization will give warnings to the directly responsible person-in-charge and other directly responsible personnel and impose a fine of over RMB500,000 but not more than RMB5,000,000.

Article 20 The Company shall purchase directors' liability insurance to compensate directors for the risks associated with their lawful performance of duties and assumption of responsibilities.

Chapter 6 Institutions under the Board of Directors

Article 21 The Board shall establish Audit Committee, Nomination Committee and Remuneration Committee and may timely establish special committees such as Strategic Committee and Sustainable Development Committee as it deems appropriate, to conduct studies on professional matters and provide the board of directors with opinions and recommendations for reference in making decisions. The special committees are to be comprised solely of Directors. Each specialized committee should designate a primary department as the daily office to be responsible for implementing the daily operations, organizing meetings, and managing related tasks such as documentation filing for the committee.

Article 22 More than half of the members of the audit committee, nomination committee and remuneration committee under the Board shall be independent directors who also act as conveners. The audit committee is composed entirely of non-executive directors who do not hold senior management positions within the Company. At least one of the independent directors shall be accounting professional or has appropriate financial management expertise.

Article 23 The primary responsibilities of the audit committee of the board of directors include:

(1) to supervise and evaluate the external audit work, to propose the appointment or replacement of the external audit institution;

(2) to supervise and evaluate the internal audit work, to assess the establishment of internal audit system of the Company and its implementation;

(3) to make coordination between internal and external audit;

(4) to examine the financial information of the Company and its disclosure;

(5) to supervise and evaluate the internal control system of the Company;

(6) to review the regular reports and financial statements of the Company;

(7) to give opinion on relevant matters in accordance with the regulatory provisions of the place where the Company's shares are listed;

(8) discussing the appointment or dismissal of the financial head of a listed company, as well as matters related to changes in accounting policies, accounting estimates, or significant accounting error corrections, other than those resulting from changes in accounting standards.

(9) other matters stipulated in the laws, Articles of Association and authorized by the board of directors of the Company.

Article 24 The main duties of the remuneration committee of the board of directors include:

(1) formulating and making recommendation to the board of directors for remuneration packages or proposals according to various factors such as major scope of work, duties and importance of the management positions of directors and senior management and the level of remuneration for similar positions of other relevant enterprises;

(2) monitoring the implementation of the remuneration system for directors and senior management of the Company;

(3) reviewing the performance of duties and conducting annual performance assessment of the Company's directors and senior management and giving advice to the board of directors on the remuneration of directors and senior management;

(4) formulating and making recommendation to the board of directors for specific remuneration packages (including non-monetary benefits, pension entitlement and compensations) of directors and senior management under the authority granted by the board of directors;

(5) reviewing and approving the following compensation arrangements to ensure that such compensation is determined in accordance with relevant contractual terms, or where such compensation is not determined in accordance with relevant contractual terms, that such compensation is fair and reasonable: (i) the compensation payable to directors and senior management in connection with any loss or termination of their office; (ii) the compensation relating to dismissal or removal of directors for misconduct;

(6) ensuring that none of the directors or their associates is involved in deciding his own remuneration;

(7) reporting decisions or recommendations of the Compensation Committee to the Company's Board of Directors;

(8) providing recommendations to the Board of Directors on the formulate or change of equity incentive schemes, employee share-holding plans, granting of benefits to incentive participants, exercise conditions, as well as arrangements for directors and senior management to participate in shareholding plans of spinned-off subsidiaries, etc.;

(9) handling other matters requiring the Compensation Committee's attention in accordance with domestic and foreign regulatory requirements, as well as other matters authorized by the Board of Directors.

Article 25 The main duties of the Strategy and Development Committee are as follows:

(1) to analyze and propose the Company's long-term development strategies and significant investments;

(2) to analyze and propose the Company's annual strategic plans and operational plans;

(3) to supervise the implementation of the Company's strategic plans and operational plans;

(4) to conduct studies and make recommendation on important matters that would affect the development of the Company;

(5) to perform any other duties as authorized by the Board of Directors.

Article 26 The main duties of the Nomination Committee are as follows:

(1) to review the structure, size and composition (including skills, knowledge and experience) of the Board of Directors at least once annually on the basis of the

Company's operation, asset scale and equity structure, and to make recommendations on any changes made to the Board of Directors to cope with the Company's strategies;

(2) to study the selection criteria, procedures and methods of Directors and senior management and to make recommendations in this regard;

(3) to select eligible candidates for the positions of Directors and senior management and to select and nominate such candidates to fill in the positions of Directors and senior management and make recommendations to the Board of Directors in this regard;

(4) to examine the qualifications of candidates for Directors and senior management and to advise and make recommendations to the Board of Directors in respect of appointment;

(5) to make recommendations to the Board of Directors on the appointment or re-appointment of Directors and senior management and succession planning for Directors, in particular the Chairman, and senior management;

(6) to make independence assessment on independent non-executive Directors;

(7) to report to the Board of Directors on decisions or recommendations made by the committee, except for those prohibited to report by laws or regulations;

(8) other duties authorized by the Board of the Company, and to address questions raised by the chairman of the committee or, in case of the absence of the chairman of the committee, another committee member or its proxy at the annual general meeting upon requested by the Chairman;

(9) other requirements in respect of the working scope of the committee governed by the listing rules as amended from time to time of other places where the securities of the Company are listed.

Article 27 The main duties of the Sustainable Development Committee are as follows:

(1) to review the policies and strategies related to the Company's corporate governance and environmental and social responsibility to ensure its compliance with laws, regulations and standards;

(2) to assess and sort out the risks and opportunities related to the Company's corporate governance and environmental and social responsibility, and to make recommendations to the Board of Directors;

(3) to review the management and internal control systems related to the Company's corporate governance, and environmental and social responsibility,

and to make recommendations to the Board of Directors on adaptability and effectiveness;

(4) to review and supervise the objectives and implementation of the work related to the Company's corporate governance and environmental and social responsibility, to evaluate the work, and to make recommendations to the Board of Directors;

(5) to review the social responsibility report disclosed by the Company and make recommendations to the Board of Directors;

(6) to guide the formulation of the vision, goals and strategies related to the Company's corporate governance and environmental and social responsibility management and to make recommendations to the Board of Directors;

(7) to perform other duties delegated by the Board of Directors.

Chapter 7 Daily Business of the Board of Directors

Article 28 The senior management of the Company has the responsibility reporting to the board of directors in a timely manner on matters regarding the operation or finance of the Company which may have a considerable impact on the share price of the Company.

Article 29 To ensure that correct decisions are made by the board of directors efficiently, and to protect their rights to be informed, each responsible department and institution of the Company shall promptly inform the administrative office of the board of directors of the relevant documents and information of the matters concerned which require consideration and approval of the board of directors. The administrative office of the board of directors will then submit them to all directors of the Company.

Article 30 All matters considered and approved by the board of directors should be issued in official documents under the name of the board of directors. The documents issued by the board of directors shall be drafted and signed by the responsible departments and then signed by the Chairman for releasing. Where the Chairman of the Board of Directors is unable to sign the document for releasing due to special reason, he should designate one Vice-chairman to sign it on his behalf.

Chapter 8 System of the Board Meeting

Article 31 The board of directors convenes four (4) regular meetings each year including:

(1) Annual Results Board Meeting

The Company shall convene an annual results board meeting within ninety (90) days from the date on which each financial year ends, to consider the annual results of the Company and related matters.

(2) Interim Results Board Meeting

The Company shall convene an interim results board meeting within sixty (60) days from the date on which the first six months period of each financial year ends, to consider the half-year results of the Company and related matters.

(3) Quarterly Results Board Meeting

The Company shall convene a quarterly results board meeting within thirty (30) days from the date on which the first three months period or the first nine months period of each financial year ends, to consider the previous quarterly results of the Company and related matters.

The first quarterly results board meeting of each financial year should not be convened earlier than the annual results board meeting of the previous financial year.

Article 32 The Company shall convene an extraordinary board meeting in the following circumstances:

(1) when the Chairman considers it necessary;

(2) when shareholders which represent over one-tenth of the shareholders voting rights so request ;

(3) when more than one-thirds of the directors so request;

(4) when the supervisory committee so requests;

(5) when the general manager so requests;

(6) when more than one-half of the independent directors so request.

Article 33 In accordance with the previous article, when provisional meeting of the Board is proposed, the administrative office of the Board or the proposer shall directly submit written proposal signed by proposer to the chairman of the Board. The written proposal shall include the following:

- (1) Name of the proposer;
- (2) Reason or basis of the proposal;
- (3) Time or duration, place and mode of the proposed meeting;
- (4) Clear and detailed proposal;
- (5) Contact information of the proposer and date of the proposal, etc.

The content of proposal shall fall into the Board duties as stipulated in the Articles of Association, and should be submitted to the chairman of the Board together with related materials concerning the proposal.

Once the administrative office of the Board receives the above written proposal and the related materials, the administration office must hand it over to the chairman of the Board on the same day. If the chairman is of the view that the contents of the proposal are not clear or detailed enough or the related materials provided are inadequate, the chairman may request the proposer to provide amendments or supplement.

The chairman of the Board shall convene and preside over the meeting within ten (10) days of the receipt of the proposal or the request from the relevant securities governing authorities.

Article 34 In case of emergencies or force majeure, resolutions can be made through video, telephone, or written materials, provided that directors are fully able to express their opinions. These resolutions must be signed by the participating directors. If the number of directors who sign and agree meets the required quorum, the resolution will be considered valid. All participating directors shall be deemed to have personally attended the meeting.

Article 35 Board meetings should be attended in person by the directors. If a director is unable to attend for any reason, they may authorize another director to attend on their behalf in writing, but external directors may not delegate to non-external directors. The authorization letter should specify the name of the proxy, the matters to be handled, the scope of authority, and the validity period, and it should be signed or stamped by the principal.

A director attend the meeting on his behalf shall exercise the rights of a director within the scope of his authorization. If a director neither attends a board meeting nor authorizes a representative to attend, it shall be deemed as a waiver of their voting rights at that meeting.

Article 36 If a director fails to attend two consecutive board meetings in person and has not appointed another director to attend the board meeting on his behalf, he shall be deemed as unable to perform his duty. The board of directors shall therefore recommend his removal to the shareholders' general meeting.

Article 37 If an independent director fails to attend two consecutive board meetings in person, the board of directors shall recommend his removal to a shareholders' general meeting.

Article 38 The secretary of the board of directors shall attend the board meeting, take minutes of the board meeting and sign there on.

Article 39 Supervisors and senior management personnel of the Company shall attend the board meeting.

Article 40 Persons who attend the board meeting shall have the obligations to give opinion, recommendation or explanation on matters directly related to the board meeting, but shall not have any voting right.

Chapter 9 Procedures of the Board Meeting

Article 41 Putting forward Proposals

Ways to put forward proposals at the board meeting:

(1) proposals which are within the scope of duty of the board of directors and which are put forward by the Company in accordance with the applicable laws, statutes, regulatory provisions of the place where the Company's shares are listed, and the Company's actual business condition;

(2) matters proposed by the directors;

(3) matters proposed by the specialized committees under the board of directors;

(4) matters proposed by the supervisory committee;

(5) matters proposed by the general manager;

(6) matters proposed by shareholders holding over one-tenth of the shares of the Company.

Article 42 Collecting Proposals

The administration office of the board of directors is responsible for collecting the draft proposals, and the relevant departments of the Company have the obligation to provide timely written information and explanation for the proposal concerned. The administration office, having organized the relevant information, then prepares an agenda for the proposed board meeting together with proposed time and place of the meeting and submits the same to the Chairman for review.

Article 43 Convening the Meeting

The Chairman is responsible to decide whether to convene a board meeting. Where the Chairman is unable to perform his duty due to special reason, he may designate one Vice-chairman to decide whether to convene a Board Meeting.

Article 44 Notice of the Meeting

Having decided to convene a board meeting, the administration office of the board of director is responsible to send the notice of the meeting to all directors, supervisors and senior management.

A notice of meeting shall contain the following information:

- (1) Date and place of the meeting;
- (2) Duration of the meeting;
- (3) Main content and subject of the meeting;
- (4) Date of the notice.

Notice of regular board meeting shall be sent to the directors of the Company and persons attending the meeting fourteen (14) days prior to the date of the meeting. Notice of extraordinary board meeting shall be sent to the directors of the Company and persons attending the meeting three (3) days prior to the date of the meeting.

Notice of board meetings shall be delivered in person, by facsimile, by express delivery service, by e-mail or by registered mail.

If a director is present at the meeting and has stated, before attending the meeting or before the beginning of the meeting, that he has not received the notice of meeting, it shall be regarded that the notice of meeting has been sent to him.

Article 45 Alteration to the notice of the meeting

Once the written notice of periodic meeting of the Board is sent, in case there are alterations to the time and place of the meeting, or any addition, alteration or cancellation of the proposal, the alteration notice should be sent three days before the original scheduled date of the meeting, stating the altered particulars and the contents of the new proposal and related materials. If the alteration notice is sent less than three days before the original date of meeting, the meeting should be postponed accordingly unless the written approval from all the directors is obtained, in which case the meeting may be held at the original time.

Once the notice of the provisional meeting of the Board is sent, in case there are alterations to the time and place of the meeting, or any addition, alteration or cancellation of the proposal, the approval from all the directors present must be obtained and duly recorded.

Article 46 Preparing Proposals

Matters which shall be proposed, in the names of the Company and general manager, to the board of directors for consideration should be formed into proposals by the relevant responsible departments designated by the Chairman of the board of directors or general manager in accordance with the subject matter of the meeting as well as the principle applied within the business scope of each department of the Company.

Relevant matters directly proposed by the directors of the Company shall be notified to the administration office of the board of directors twenty (20) days before the board meeting being held. Proposals formed by the administration office shall be submitted to the directors concerned for review and be included in the recommended agenda of the meeting by the administration office.

Matters proposed by the specialized committees of the board of directors or supervisory committee to the board of directors for consideration shall be formed into proposals by their subordinate institutions.

When proposals are formed, the administration office of the board of directors has the obligation to inform the relevant responsible departments about the operational requirements of listed companies, requirements of the proposals and regulatory provisions etc., in order to get their coordination and support.

Proposals of the board meeting put forward by each department shall be submitted to the administration office of the board of directors eight (8) days before date of the

board meeting. The administration office is responsible to collate and organize the proposals. Relevant responsible departments which need other departments to provide related explanation and information of the proposals must promptly make such request in writing.

The administration office of the board of directors is responsible to submit proposals and information to be discussed at the board meeting to the directors of the Company for review five (5) days prior to a regular board meeting; and three (3) days prior to an extraordinary board meeting is held.

When more than two independent directors consider that the information provided is incomplete or the argument is not sufficient, they may request in joint names supplement information for the board meeting, propose to adjourn the meeting or adjourn part of the proposal under discussion. Given such cases, the board of directors shall accept their requests, and the Company shall make relevant disclosure in a timely manner.

Article 47 Convening the Meeting

The administration office of the board of directors is specifically responsible for organizing the board meeting and arranging for the administration of the board meeting.

Meetings of the Board shall be held only if more than half of the directors (including any alternate director appointed to attend the meeting pursuant to the provisions of the Articles of Association of the Company) are present.

The chairman of the Board shall preside over the board meeting. When the chairman is unable to preside over the meeting due to special reasons, he may appoint one vice-chairman to preside over the meeting. When the vice-chairman is unable to preside over the meeting due to special reasons, the meeting may be presided over by a director elected by more than one-half of all the directors.

Article 48 Meetings of the Board should be held with the directors present in person. If necessary, and conditional upon safeguarding the full expression of opinion by the Directors, and upon the approval of the convener and the proposer, the meeting can be held by video conference, telephone, facsimile or email. The meeting of the Board can also be held with the directors present in person as well as other ways.

In case the directors are not present in person, the number of the directors present at the meeting can be calculated according to the number of directors present as shown in the video conference, the number of directors who put forward their opinions in the

telephone meeting, the votes received by fax and emails within a specified time, or the number of directors who submit the written confirmation letter after the meeting.

Article 49 Considering Proposals

The meeting of the Board shall consider each proposal one by one.

Directors may request the proposer, person in-charge of the relevant department or other relevant professionals to attend the meeting and produce reply, explanation and further relevant information in response to the inquiries raised by the directors.

For the proposals that require prior approval of the independent directors, the chairman of the meeting should explain to the directors present or designate an independent director to read the written approval of the independent directors before discussing the proposal.

Unless the consent from all the directors present at the meeting is obtained, the meeting of Board shall not vote on proposals which are not included in the notice of meeting.

Article 50 Expressing Opinions

The directors should independently and prudently express their opinions after carefully reading the materials of the meeting and having a full understanding of the situation.

The directors can obtain relevant information from the secretary to the Board, convener of the meeting, managers and other senior management personnel, any special committee, accounting or legal advisors before the meeting of Board. The directors can recommend to the chairman of the meeting to invite the above personnel and agent representatives explain some information concerning the meeting.

Article 51 Voting at the Meeting

The meeting of the board of directors votes on each proposal one by one. The directors who attend the meeting must either vote in favour of or against the proposal or abstain from voting.

Where a director is unable to attend a board meeting and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Voting in the board meeting may be by show of hands or by poll. Each director shall have one (1) vote. Where there is an equality of votes casts for and against a resolution, the Chairman of the board of directors shall have a casting vote.

Article 52 Formation of the Resolution

Except as otherwise stipulated in these rules, a proposal can be approved and a resolution can be passed in a meeting of the Board by more than half or two-thirds of all the directors of the Company. In case where a higher majority is required by the laws, administrative regulations and the Articles of Association, such laws, administrative regulations and provisions of the Articles of Association shall apply.

Where there are discrepancies between resolutions, the latter in time prevails.

Article 53 Abstaining from Voting

In the following conditions, the directors should abstain from voting:

- (1) The regulations in the place where the Company is listed require that the directors should abstain from voting in the board meeting;
- (2) The director is of the view that he should abstain from voting;
- (3) The director is connected to a party to the transaction in question and is required by the Articles of Association to abstain from voting.

In case a director abstains from voting, the meeting of the Board can be convened only when more than half of the directors but also not connected to the party of the transaction to be considered attend the meeting, where the proposal can be resolved upon approval by one-half of those non-connected directors. When the present non-connected directors are less than three, the Board is not allowed to vote on that matter, and this matter should be submitted to shareholders' meeting for consideration and approval.

Article 54 Not Exceeding Authority

The Board shall perform its duties according to the shareholders' meeting and the Articles of Association and is not allowed to act beyond its authority.

Article 55 Resolution of the Meeting

Resolutions passed for matters being considered by the board of directors shall be confirmed and signed by the directors participating in the board meeting.

Article 56 Execution of the Resolution

The chairman shall supervise the relevant personnel to put the resolution of the meeting of Board into effect, examine the execution of the resolution and announce the progress of such execution in the meeting of Board.

Chapter 10 Disclosure of Information for the Resolutions of the Board Meeting

Article 57 Resolutions of the board of directors shall be submitted to the Shanghai Stock Exchange within two (2) trading days after the board meeting.

Article 58 Resolutions of the board of directors which concerns matters that require to be voted on by the shareholders' general meeting or matters that are required to make announcements as provided by the "Listing Rules" of the Shanghai Stock Exchange and Stock Exchange of Hong Kong, should be disclosed in a timely manner. Resolutions which are considered by the Shanghai Stock Exchange and Stock Exchange of Hong Kong as necessary to be disclosed shall also be disclosed in a timely manner.

Prior to the announcement of the resolution, the directors and other personnel present at the meeting, recorders and service personnel have responsibilities to keep confidential of the content of the resolution.

Article 59 In case of matters requiring prior approval of or independent opinion expressed by the independent directors, the Company shall make public announcement of the independent director's opinion. If the independent directors fail to reach a consensus in their opinion, the board of directors shall disclose each independent director's respective opinion.

Article 60 Disclosure of resolutions of the board of directors shall be carried out concurrently both locally and in overseas where the Company's shares are listed.

Article 61 Resolutions of the board meeting and disclosure document should be submitted and filed with the competent securities authorities under the State Council and the local representative office of the competent securities authorities under the State Council as required.

Chapter 11 Minutes of the Board Meeting

Article 62 The board of directors shall keep minutes of resolutions passed at the board meeting. The secretary to the board of directors is responsible to take minutes at the board meeting.

Article 63 Minutes of the meeting shall include the following:

- (1) Date, time, place and form of this meeting;
- (2) Dispatch of the notice of meeting;
- (3) Convener and chairperson of the meeting;
- (4) The participating directors and proxies;
- (5) Details of the procedures of the meeting;
- (6) The proposals considered at the meeting and main points of any directors' speech and voting tendency;
- (7) Voting method for each matter and result (specifying the number of votes for and against and abstentions);
- (8) Other items that the directors consider should be recorded.

Article 64 Signature of Directors

The directors present at the meeting shall confirm and procure their proxies to confirm by signing on the minutes of the meeting of the Board. Where the directors have different opinions on the minutes of the meeting, they can make a written note when signing. If necessary, the directors should report to the supervisory department promptly and make a

public announcement. Without going through above procedures, the directors are regarded to have fully approved the minutes and records of the meeting.

Article 65 The draft minutes should be ready for review by the directors attending the meeting within three (3) business days after every board meeting. Directors who wish to supplement or amend the minutes shall send their comments to the secretariat of the board of directors within five (5) business days after receiving the minutes.

The minutes should be finalized within ten (10) business days after the board meeting. The minutes shall be signed (including signing by way of facsimile) by the directors present at the meeting, the board's secretary and the person who recorded the minutes.

The secretary to the board of directors shall send a complete copy of the minutes to each director as soon as possible.

Article 66 The files of meetings of the Board, including notice and materials of the meeting, attendance register, instruments appointing the proxy, record material, votes, and the minutes, resolutions and announcements that have been signed by directors present should be kept by the secretary to the Board.

The files of the meetings of the Board shall be kept for at least ten (10) years.

Directors of the Company have the right to inspect the aforesaid information of the board meeting.

Chapter 12 Supplementary Provisions

Article 67 These rules of meetings formulated by the board of directors shall be effective and implemented after being approved at the shareholders' general meeting.

Article 68 Any matter which has not been adequately provided in these rules or when these rules are inconsistent with the applicable laws, statutes, the regulatory provisions of the place where the Company's shares are listed and the Articles of Association of the Company, the laws, statutes, the regulatory provisions and the Articles of Association of the Company shall prevail.

Article 69 In these rules, reference to "above", "below" a number includes that number, and reference to "exceed" a certain number does not include that number.

Article 70 The Board of Directors of the Company has the right to interpret these rules of meeting.

Attachment 1

Agenda for the Board of Directors of Yankuang Energy Group Co., Ltd.

I. Matters for Board Approval and Decision

(I). Corporate Governance

1. Rules of procedures and systems for the General Manager's office meetings.
2. Working rules for specialized committees of the Board, their organizational structures, and staffing plans; working rules for the Board Secretary.
3. General Manager's work report.
4. Authorization and decision-making plan of the Board.
5. Establishment or cancellation of internal management organizations, branches, etc.
6. Fundamental management systems.
7. Company information disclosure matters.

(II). Planning and Investment

1. Major measures to implement the decisions of the CPC Central Committee and the national development strategy, and to implement the major deployments of the CPC Shandong Provincial Committee, the Shandong Provincial Government, the Shandong State-owned Assets Supervision and Administration Commission, and Shandong Energy Group.
2. Corporate development strategy, medium-and-long-term development planning, and production policies.
3. Industrial layout planning and industrial structure adjustment plans.

(III). Business Management

1. Annual business plan and capital expenditure plan.
2. Provision for asset impairment exceeding 10% of the Company's latest audited net profit; write-off of asset impairment provision exceeding 10% of the Company's latest audited

net profit; If the provision or write-off of asset impairment involves related-party transactions, the relevant provisions on related-party transactions shall apply..

3. Related transactions, including but not limited to:

- ① Purchase or sale of assets.
- ② External investment (including entrusted wealth management, entrusted loans, etc.).
- ③ Providing financial assistance.
- ④ Providing guarantees.
- ⑤ Leasing in or out of assets.
- ⑥ Entrusted or trusted management of assets and businesses.
- ⑦ Donation or receipt of assets.
- ⑧ Credit and Debt restructuring.
- ⑨ Signing of licensing agreements.
- ⑩ Transfer or acquisition of R&D projects.
- ⑪ Purchase of raw materials, fuel, power.
- ⑫ Sale of products, goods.
- ⑬ Provision or receipt of services.
- ⑭ Entrusted or trusted sales.
- ⑮ Deposit and loan transactions with related financial companies.
- ⑯ Joint investment with related parties.
- ⑰ Other transactions that may result in resource or obligation transfer as identified by listing regulatory bodies based on the principle of substance over form, including providing financial assistance, guarantees, and waiving the right to proportional capital increase or preemptive rights to companies jointly invested with related parties that exceed their equity or investment proportion.
- ⑱ Other circumstances recognized as related transactions under listing rules.

(Transactions with the same related party or different related parties involving related transaction targets of the same category need to be calculated on a cumulative basis over twelve months).

The aforementioned related party transactions that meet any of the following criteria shall undergo the approval procedure of the Board of Directors:

① The total assets involved in a single transaction account for more than 0.5% and less than 5% of the Company's total assets as calculated according to the International Financial Reporting Standards (IFRS) for the most recent period;

② The transaction amount of a single transaction (including assumed debts and expenses) accounts for more than 0.5% and less than 5% of the Company's audited net assets for the most recent period as calculated according to the Chinese Accounting Standards (CAS); and accounts for more than 0.5% and less than 5% of the Company's total market capitalization (calculated based on the average closing price of the respective class of shares for the five business days prior to the relevant transaction date);

③ The relevant main business income of the target of a single transaction in the most recent fiscal year accounts for more than 0.5% and less than 5% of the Company's audited main business income for the most recent fiscal year as calculated according to IFRS.

4. Transactions involving the purchase or sale of assets, external investments (including entrusted financial management), leasing in or leasing out assets, debt restructuring, gifting or receiving assets, entrusting or being entrusted with managing assets or businesses, signing licensing agreements, transferring or receiving research and development projects, etc., that meet any of the following criteria (determined according to the principle of strictness):

① The total assets involved in a single transaction (if both book value and assessed value are available, the higher value shall be used) account for more than 10% and less than 50% of the company's total audited assets for the most recent period as calculated according to the Chinese Accounting Standards (CAS); or more than 5% and less than 25% of the Company's total assets as calculated according to the International Financial Reporting Standards (IFRS) for the most recent period;

② The net assets of the transaction target (such as equity) (if both book value and assessed value are available, the higher value shall be used) account for more than 10% and less than 50% of the company's audited net assets for the most recent period; or more than 5% and less than 25% of the company's total market capitalization (calculated based on the average closing price of the respective class of shares for the five business days prior to the relevant transaction date);

③ The transaction amount of a single transaction (including assumed debts and expenses) accounts for more than 10% and less than 50% of the Company's audited net assets for the most recent period as calculated according to CAS; or more than 5% and less than 25% of the company's total market capitalization (calculated based on the average

closing price of the respective class of shares for the five business days prior to the relevant transaction date);

④ The profit generated from the transaction accounts for more than 10% and less than 50% of the Company's audited net profit for the most recent fiscal year as calculated according to the Chinese Accounting Standards (CAS); or more than 5% and less than 25% of the Company's audited net profit for the most recent fiscal year as calculated according to the International Financial Reporting Standards (IFRS);

⑤ The relevant main business income of the transaction target (such as equity) in the most recent fiscal year accounts for more than 10% and less than 50% of the Company's audited main business income for the most recent fiscal year as calculated according to CAS; or more than 5% and less than 25% of the Company's audited main business income for the most recent fiscal year as calculated according to IFRS;

⑥ The relevant net profit of the transaction target (such as equity) in the most recent fiscal year accounts for more than 10% and less than 50% of the Company's audited net profit for the most recent fiscal year as calculated according to CAS; or more than 5% and less than 25% of the Company's audited net profit for the most recent fiscal year as calculated according to IFRS.

5. Borrowings with a single amount exceeding 10% but less than 25% of the Company's audited net assets for the most recent period, provided that the Company's asset-liability ratio remains below 80% after financing;

Inter-company loans among overseas subsidiaries, with a cumulative amount exceeding 25% but less than 50% of the company's audited net assets for the most recent period as calculated according to the Chinese Accounting Standards (CAS) within any consecutive twelve-month period, provided they comply with the laws, regulations, and relevant regulatory requirements of the place of registration;

6. Asset mortgages and pledges with a cumulative outstanding amount not exceeding 30% of the company's audited net assets for the most recent period;

7. External guarantees and financial assistance matters not reaching the approval authority of the shareholders' meeting as specified in the Company's articles of association;

When the Company engages in other transactions besides providing guarantees, financial assistance, and entrusted financial management, it should apply the relevant board approval authority ratio to the transactions under the same category based on the cumulative calculation principle within any consecutive twelve-month period. Transactions that have already fulfilled the approval obligations based on the cumulative calculation principle do not need to be included in the cumulative calculation again.

(IV). Three Systems

1. Major reform plans and amendments for the Company ' s labor, personnel, and distribution systems.
2. Appointment or dismissal of the General Manager according to relevant regulations and procedures; appointment or dismissal of Deputy General Managers and other managerial members based on the General Manager ' s nominations; appointment or dismissal of senior management personnel as required by the Board.
3. Performance evaluation and remuneration management for senior management appointed by the Board.
4. Income distribution plans including employee wages, social insurance, employee benefits, and corporate pensions.

(V). Risk Control

1. Establishing risk management systems, internal control systems, accountability systems for violations of business and investment, and legal compliance management systems.
2. Major financial, operational, and legal risk management plans.
3. Major measures concerning safety production, ecological environment protection, corporate image, and stability maintenance.

(VI). Social Welfare

1. Annual budget plan for external donations or sponsorships.
2. External donation and sponsorship matters outside the annual budget plan.

(VII). Other Major Matters Requiring Board Approval as per Laws, Listing Regulations, and State-owned Assets Supervision Regulations

II. Matters for Board Formulation and Reporting

1. Amendments to the Articles of Association.
2. Rules of Procedure for the Board of Directors.
3. Annual work report of the Board.
4. Matters concerning the increase or decrease of registered capital and repurchase of the Company ' s stocks.
5. Plans for mergers, divisions, changes, restructuring, dissolution, liquidation, bankruptcy application, or changes in company form.

6. Main business plans.
7. Annual financial settlement plans.
8. Profit distribution and loss compensation plans.
9. Bond issuance plans.
10. Equity incentive schemes.
11. Listing plans for subsidiaries domestically and abroad.
12. Election plans for non-employee representative directors and related remuneration matters.
13. Plans for the appointment, dismissal, or non-renewal of accounting firms.
14. Plans for external guarantees and financial assistance requiring the approval of the shareholders' meeting.
15. Plans for asset impairment provision or write-off requiring the approval of the shareholders' meeting.
16. Plans for transactions or related transactions requiring the approval of the shareholders' meeting.
17. Other major matters that need to be formulated and approved by the Board of Directors in accordance with laws, regulations, listing supervision and state-owned assets supervision regulations.

