CHINA ENERGY ENGINEERING CORPORATION LIMITED
TERMS OF REFERENCE OF
THE AUDIT AND RISK COMMITTEE
UNDER THE BOARD OF DIRECTORS

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the Board and improve the corporate governance structure, the Terms of Reference of the Audit and Risk Committee under the Board of Directors (hereinafter referred to as these "Rules") is formulated in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the securities regulatory rules of the place where the securities of the Company are listed), the Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation issued by the Shanghai Stock Exchange and the Guidelines for the Adjustment and Optimization of the Audit and Risk Committees of the Boards of Directors of Central State-Owned Enterprises (Trial) and other relevant laws, regulations and regulatory documents.

Article 2 These Rules shall apply to the headquarter of the Company.

Article 3 The Audit and Risk Committee under the Board of Directors (hereinafter referred to as the "Committee") is a specialized working body under the Board and is mainly responsible for the communication, supervision and verification of internal and external audits; risk management, etc.

Chapter 2 Committee Composition and Executive Body

Article 4 Composition of the Committee, nomination of members and appointment of chairperson:

(I) The Committee shall consist of no less than 3 non-executive directors, of whom more than half shall be independent non-executive directors. At least one of the members shall have appropriate accounting or related financial management expertise and possess competence required for the exercise of the Committee's duties in terms of professional knowledge and commercial experience.

(II) Members shall be nominated by the chairman of the Board or more than half of independent non-executive directors or more than one-third of all directors, and shall be elected by a majority of all directors.

(III) The Committee shall have one chairperson who shall be an independent non-executive director. The chairperson is responsible for presiding over the Committee's works. The chairperson of the Committee is generally served by a convenor of external directors or an external director who has good understanding of financial and accounting, finance, risk management, audit and legal aspects.

(IV) The former partner of the external auditor who undertakes the financial statements and reports of the Company shall be prohibited from acting as a member of the Audit and Risk Committee for the Company for a period of two years from the date on which he/she ceases to be the partner of the audit organ or ceases to be entitled to financial interests of the audit organ, whichever is the later.

Article 5 Terms of office of the Committee and members:

The term of office of the Committee is the same as that of the Board of the same session, the terms of office of the Committee members are the same as those of the directors. Members may be re-elected when their terms of office expire. Where any member does not serve as a director of the Company during his or her term of office, he or she shall be disqualified as a member automatically.

Article 6 Resignation, adjustment and fill-up of members:

(I) Members may tender their resignations to the Board before the expiration of their terms of office. To resign, a Committee member shall submit a written resignation to the Board and describe the reasons for his/her resignation and matters needed to be concerned by the Board of the Company therein.

(II) Members may be changed within their terms of office if proposed by the chairman of the Board and approved after discussion by the Board.

(III) If the number of the Committee members falls below the minimum number as provided herein, the Board shall arrange for filling up the shortfall in accordance with the provisions in these Rules.

Article 7 Executive body of the Committee:

The internal audit department of the Company, acting as the Committee's executive body, provides supports and services to the Committee and undertakes relevant works assigned by the Committee, and the financial, investment, legal and other departments shall cooperate.

Chapter 3 Duties and Functions of the Committee

Article 8 The Committee, on behalf of the Board, shall conduct independent assessment and supervision of the compliance, legality and efficiency of the Company's operating activities. The major duties and functions of the Committee shall be:

(I) Supervising the internal and external audit organs. To advise the Board on change in responsible person of the audit department; to make recommendations to the Board on the appointment, replacement and removal of the external auditor; to deal with the resignation or removal of the external audit organ; to review the audit fees and terms of engagement of the external auditor; to review and monitor the independence and objectivity of the external auditor and the effectiveness of the audit process; to supervise the external auditor's honesty, integrity and diligence; and to formulate and implement policies on the engagement of the external auditor to provide non-audit services; as well as to meet with the external auditors at least twice a year.

(II) Monitoring financial statements and reports. To review the Company's financial and accounting policies and practices; to monitor and comment on the truthfulness, completeness and accuracy of the Company's financial statements, annual reports, semi-annual reports and quarterly reports, with particular attention to changes in accounting policies and practices, significant judgments, material adjustments, assumptions on going concern, significant events and qualified opinions, compliance with accounting standards, compliance with the securities regulatory rules of the place where the securities of the Company are listed and other legal requirements; and to pay attention to any significant concerns raised by the external audit organ to the management and the response of the management.

(III) Overseeing and evaluating internal audit. To supervise the establishment and implementation of the internal audit system; to supervise the implementation of the Company's internal audit plan; to supervise the internal audit department to conduct inspections on significant matters, large capital transactions and related parties' capital transactions at least once every six months; to issue inspection reports and submit them to the Committee, and report to the Board in a timely manner on cases of violations of laws and regulations and irregularities in operation.

(IV) Supervising and evaluating internal control. To supervise the Company's implementation of relevant laws, regulations and rules; to guide the construction of the financial management system, risk management

system, internal control system, compliance governance system and non-compliance operation and investment accountability system; and assess on the effectiveness of the internal control system.

(V) Reviewing the status of related party transactions. To be responsible for confirming a full list of the Company's related parties, and conducting an overall review of related party transactions and regular inquiries of the state of related party transactions, which include a review of the decisions and implementation of all related party transactions of the Company within 10 days following the end of each half-yearly period, and a review of the overall state of all related party transactions of the Company within 30 days following the end of each half-yearly period, and to report the review comments upon their formation to the Board of the Company.

(VI) Supervising the key areas. To supervise the Company in the implementation of the decisions of the CPC Central Committee and the State Council and the work requirements of the SASAC; to urge the Company to strengthen the rectification and implementation of problems found in audits, supervision of state-owned capital and special inspections; to supervise the implementation of resolutions of the Board and the exercising of authorization of the Board; to listen to the reports of the relevant functional departments of the Company on the post-evaluation of investment projects; to timely report to the Board and if necessary, to the SASAC of the State Council, on significant issues, major risks and major abnormalities.

(VII) Supervising the performance of duties of directors and senior management members. To require the directors and senior management members to rectify when their performance harms the interests of the Company; to advise on accountability and removal of any director and senior management member who violate the laws, administrative regulations, supervision system of state-owned assets, the Articles of Association, the resolutions of the general meetings, resolutions of the Board; and to advise on filing a lawsuit against any director and senior management member who causes losses to the Company.

(VIII) Proposing to hold the extraordinary Board meeting and extraordinary general meeting, and convening and presiding over the general meeting when the Board fails to perform the duties of convening and presiding over the general meeting in accordance with laws.

(IX) Other duties. To report the matters mentioned in these Rules to the Board; to carry out other matters as authorized by the Board of the Company and other matters in connection with relevant laws and regulations; and other duties imposed on the Committee, as amended from time to time, by laws, administrative regulations and the securities regulatory rules of the place where the securities of the Company are listed.

Article 9 The Committee shall report and make recommendations to the Board on the necessary measures to be adopted and matters to be improved.

Article 10 The Committee may conduct its work by listening to the work reports of management members, presenting relevant meetings of the Company, reviewing financial and accounting data and information on operation and management activities, interviewing the management members and employees, special inquiries for significant events, and organizing special supervision and inspection; and it may independently engage an accounting firm and other intermediaries to provide professional support for its performance of duties at the expense of the Company.

Article 11 In the course of supervision and inspection, if the Committee identifies that the Company's business activities may endanger the security of state-owned assets, cause losses of state-owned assets or infringement of the owners' interests of state-owned assets, or constitute major financial non-compliance or major financial risks, it shall immediately report to the Board and the SASAC of the State Council; Advice on accountability or dismissal of directors or senior management members may be directly reported to the SASAC of the State Council without consideration by the Board.

Article 12 In the event of appointment or change of external auditors by the Company, relevant proposal shall not be considered by the Board until deliberations and recommendations of the Committee are presented to the Board.

Article 13 Duties and functions of the chairperson of the Committee. Include convening and presiding over meetings of the Committee; supervising and examining the work of the Committee; signing the relevant documents of the Committee, reporting the work of the Committee to the Board of the Company, and performing other duties as requested by the Board.

Chapter 4 Committee Meetings

Article 14 Committee meetings can be classified as regular meetings and extraordinary meetings.

(I) The Committee shall at least hold a regular meeting quarterly by issuing a 3 days' prior written notice to all members. However, the above notice period may be exempted with the unanimous consent of all members of the Committee.

(II) Extraordinary meetings shall be convened by the Committee as necessary. If the Board or the chairperson of the Committee deems it necessary, or if two or more members of the Committee propose it, the chairperson of the Committee shall issue a notice to convene an extraordinary meeting within three days from the date of occurrence of the fact.

Article 15 Convening of meetings.

(I) Notice of meeting. The internal audit department shall be responsible for delivering the notice of meeting in writing to each Committee member and relevant person invited to attend the meeting 3 days prior to the date of the meeting (except in special circumstances). The notice of meeting shall contain the method, time, venue, duration and agenda of the meeting, time of issuance of the notice and other relevant information.

(II) Attendance at meetings and delegation of authority. The members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member can authorize another member of the Committee in writing to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Each member can only be authorised by one member at the same time. If a member being an independent non-executive director is unable to attend a meeting in person for any reason, he/she should authorise another member being an independent non-executive director to attend on his/her behalf.

The member attending meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights. A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter to be discussed, provided that such written opinion shall be submitted to the internal audit department no later than the convening of the meeting.

(III) Absence from meeting. If any member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person three-quarter of all meetings of the Committee held during one year, such member shall be deemed incapable of performing the duties of the Committee, and the Board may change the members of the Committee in accordance with these Rules.

(IV) Holding of meeting. A meeting of the Committee may only be validly held when at least two-thirds of all members attend the meeting. A meeting shall be convened and presided over by the chairperson of the Committee, who may appoint another independent non-executive director who is the member of the Committee to do so on his/her behalf when he/she is unable or refuses to perform his/her obligations.

Article 16 Rules of precedures

(I) Voting at meeting. Each member shall have one vote. More than half of the votes of all members are required to pass a resolution. If as a result of abstention, the Committee members cannot form effective deliberations, the relevant matters shall be directly considered by the Board.

(II) Voting method. In general, the Committee shall physically meet on site to hold a meeting. Method of voting shall be show of hands or poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinion, with the consent of the chairperson of the Committee, meetings may be held by means of remote communication. Where a meeting is conducted by means of remote communication, the Committee members shall submit to the Committee their written opinions with respect to the matters to be discussed within the period prescribed by the notice of the meeting.

(III) Expressing opinions. The agenda items shall be discussed during the meeting of the Committee. The members of the Committee shall explicitly, independently and fully express their opinion based on their judgment. In the case of any different opinion, such different opinion shall be stated in the meeting minutes to be presented to the Board.

(IV) Parties attending the meeting. The Committee may invite directors, senior management of the Company, relevant experts, intermediary agencies and other relevant personnel to attend the meeting. Such personnel invited to attend the meeting shall give explanation and elaboration as required by any Committee member.

(V) Avoidance of meeting. If a member of the Committee is interested in any matter being considered by the Committee, such member shall refrain from the discussion and decision of such matter.

(VI) Confidentiality of meeting. All personnel attending the meeting shall have the obligation to keep all matters discussed at the meeting confidential and shall not disclose any information relating thereto without authorization.

Article 17 Minutes of Committee meetings shall be prepared by the internal audit department.

(I) The contents of the minutes. Including serial number, method, date, venue and name of the chairperson of the meeting; the attendance of members personally or by proxy; name and title of each attendee; matters to be considered at the meeting; main points made by the Committee members and other relevant attendees; name of the person taking minutes.

(II) Record signatures. The Committee members and other persons present at the meeting shall sign the minutes of the meeting of the Committee. The minutes shall be sent to all Committee members within a reasonable time for their comments.

Article 18 After each meeting of the Committee, the internal audit department shall be responsible for producing the summary of the meeting. Copies of the meeting summary shall be submitted to the Board of the Company and sent to the members of the Committee, secretary of the Board, the audit, finance, legal and other relevant departments and personnel of the Company.

Article 19 Filing of information. Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting shall be kept by the office of the Committee in accordance with relevant file management system of the Company.

Chapter 5 Supplementary Provisions

Article 20 Save for otherwise specified, the terms used in these Rules shall have the same meanings as those defined in the Articles of Association.

Article 21 For any matter not covered in these Rules, or in the event of any contradiction with any provisions of the laws, administrative regulations, regulatory documents or the Articles as amended under lawful procedures promulgated after these Rules become effective, the provisions of such laws, administrative regulations, regulatory documents and the Articles shall prevail. Amendments to these Rules shall be made forthwith and submitted to the Board for consideration and approval.

Article 22 The Board of the Company reserves the right to interpret. These Rules shall take effect and come into force from the date of publication. The Terms of Reference of the Audit Committee (Supervisory Committee) under the Board of Directors of China Energy Engineering Corporation Limited (CEEC Fa [2022] No. 329) shall be repealed at the same time.