Shandong Molong Petroleum Machinery Company Limited

Rules of Procedure for Board of Directors

Chapter Ⅰ General Rules

Article 1 In order to further standardize the methods of deliberation and decision-making procedures of the Board of Directors of Shandong Molong Petroleum Machinery Company Limited (hereinafter referred to as the "Company"), to enable directors and the Board of directors to effectively perform their duties, and to improve the level of standardized operation and scientific decision-making of the Board of directors, In accordance with 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 Rules Governing the Listing of Stocks of the Shenzhen Stock Exchange (hereinafter referred to as the "Listing Rules"), the Guidelines for the Standard Operation of Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operations of Main Board Listed Companies and Shandong Molong Petroleum Machinery Company Limited These rules are formulated in accordance with the provisions of laws, regulations and normative documents such as the the Articles of Association of Shandong Molong Petroleum Machinery Company Limited (hereinafter referred to as the "Articles of Association"), in light of the actual situation of the Company.

Chapter II Composition and Powers of the Board of Directors

Article 2 The Company shall establish a board of directors in accordance with the law. The board shall consist of nine directors, including one chairman, one vice chairman and one employee representative director. The chairman and vice chairman shall be elected by the board of directors by a majority vote of all directors.

Article 3 Directors of the company shall be natural persons and shall not serve as directors of the company under any of the following circumstances:

(1) Circumstances under which one is prohibited from serving as a director or senior manager of a company as stipulated in Article 178 of the Company Law;

(2) Has been subject to the securities market entry ban measures by the China Securities Regulatory Commission, which disqualify one from serving as a director or senior manager of the company, and the period has not yet expired;

(3) Has been publicly identified by the stock exchange as unsuitable to serve as a director, senior manager, etc. of the company, and the term has not yet expired;

(4) Other circumstances as prescribed by laws and regulations.

The nomination committee of the company's board of directors shall review whether the candidates for directors meet the qualifications for the position. When a listed company discloses information on candidates for directors, it shall simultaneously disclose the review opinions of the board's nomination committee.

If a director experiences any of the circumstances listed in the first paragraph of this article during his or her tenure, he or she shall immediately cease to perform his or her duties. Once the board of directors becomes aware of or should have become aware of the occurrence of such fact, it shall immediately remove him or her from office in accordance with the regulations.

The nomination committee of the board of directors shall assess the qualifications of the directors. If it is found that the directors do not meet the qualifications, it shall promptly propose to the board of directors a suggestion for their removal.

Article 4 Directors shall be elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting before the expiration of their term of office. Directors serve a term of three years and may be re-elected upon the expiration of their term.

The term of office of directors is calculated from the date of assumption of office until the end of the term of the current board of directors. If a new director has not been elected in a timely manner upon the expiration of his term of office, the original director shall continue to perform his duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company 's shares are listed, and the Company' s Articles of Association until the newly elected director takes office.

Directors may be concurrently held by senior management, but the total number of directors concurrently holding senior management positions and directors held by employee representatives shall not exceed one half of the total number of directors of the company.

There shall be one employee representative of the Company among the board members. The employee representatives on the board of directors shall be democratically elected by the employees of the Company through the employee representative assembly, the employee assembly, or other forms, without the need for deliberation by the shareholders' meeting.

Article 5 Directors shall abide by the provisions of laws, administrative regulations and the Articles of Association of the Company, have a duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their powers to seek improper benefits.

Directors shall have the following duties of loyalty to the company:

(1) He shall not embezzle the Company's property or misappropriate the Company's funds;

(2) The Company's funds shall not be deposited in an account opened in his or her own name or in the name of any other individual;

(3) Not to use his position to bribe or accept any other illegal income;

(4) Shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the board of directors or the shareholders' meeting and approval by the board of directors or the shareholders' meeting in accordance with the provisions of the Company 's Articles of Association;

(5) Shall not take advantage of his position to seek business opportunities belonging to the Company for himself or others, except where he reports to the board of directors or the shareholders' meeting and is approved by the shareholders' meeting resolution, or where the Company is deemed unable to take advantage of such business opportunities due to accordance with laws, administrative regulations or the articles of association;

(6) Not to engage in or operate any business of the same nature as that of the Company without reporting to the board of directors or the shareholders' meeting and obtaining approval by the shareholders' meeting;

(7) Shall not accept commissions from transactions between others and the Company as their own;

(8) Not to disclose Company secrets without authorization;

(9) Shall not use his related relations to harm the interests of the Company;

(10) Other duties of loyalty as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Income obtained by directors in violation of this provision shall belong to the Company. He shall be liable for damages caused to the Company.

The close relatives of directors or senior management personnel, enterprises directly or indirectly controlled by directors or senior management personnel or their close relatives, and related persons with other associated relationships with directors or senior management personnel, when entering into contracts or conducting transactions with the Company, shall apply the provisions of Paragraph 2, Subparagraph (4) of this article.

Article 6 If a director fails to attend the board meeting in person for two consecutive times and does not entrust another director to attend the board meeting, it

shall be deemed that he is unable to perform his duties, and the board shall recommend to the shareholders' meeting to replace him.

Article 7 A director may resign before the end of his term. A director's resignation shall be made by submitting a written resignation letter to the Company. The resignation shall take effect on the date the Company receives the resignation letter, and the Company shall disclose the relevant information within two trading days. If the resignation of a director results in the number of members of the board of directors falling below the statutory minimum, the original director shall still perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association of the Company until the newly elected director takes office.

Article 8 The Company has established a management system for the departure of directors, clearly defined safeguarding measures for accountability and recovery of unfulfilled public commitments and other unfulfilled matters. When a director's resignation takes effect or his term expires, he shall complete all handover procedures with the board of directors, and his duty of loyalty to the company and shareholders shall remain valid for twelve months after the director's resignation takes effect or his term expires. His obligation to keep confidential the Company's trade secrets, including its core technologies, remains valid until the trade secrets become public information, and he shall not use the company's core technologies in his possession to engage in the same or similar business as the Company. A director's duties for the performance of his or her duties during his or her tenure shall not be relieved or terminated upon leaving office.

Article 9 The shareholders' meeting may resolve to remove a director, and the removal takes effect on the date the resolution is made. If a director is removed before the expiration of his term without justifiable reasons, the director may demand compensation from the Company.

Article 10 No director may act on behalf of the Company or the board of Directors in his personal capacity without authorization under the provisions of the Articles of Association or the lawful authorization of the board of Directors. Where a director acts in his personal capacity, he shall declare his position and identity in advance if a third party would reasonably believe that he is acting on behalf of the Company or the board of directors.

Article 11 The Company shall be liable for damages caused by a director in the course of performing his duties for the Company; A director who has acted with intent or gross negligence shall also be liable for compensation.

A director who, in the course of performing his duties for the Company, violates laws, administrative regulations, departmental rules or the provisions of the Company's Articles of Association and causes losses to the company shall bear

liability for compensation.

Article 12 The chairman of the board shall exercise the following powers:

(1) To preside over shareholders' meetings and to convene and preside over board meetings;

(2) Supervise and inspect the implementation of board resolutions;

(3) Other powers conferred by the board.

Article 13 The vice chairman of the board assists the chairman in his work, and if the chairman is unable to perform his duties or fails to perform his duties, the vice chairman shall perform the duties of the chairman; Where the vice chairman is unable to perform his duties or fails to perform his duties, a director elected by a majority of the directors shall perform the duties of the chairman.

Article 14 Independent directors shall perform their duties in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company 's shares are listed, and the Articles of Association of the Company, play a role in participating in decision-making, supervision and checks and balances, professional consultation in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Article 15 Independent directors must maintain their independence. The following persons shall not serve as independent directors:

(1) Personnel employed by the Company or its affiliated enterprises, as well as their spouses, parents, children and other major social relations;

(2) Natural person shareholders who directly or indirectly hold more than one percent of the issued shares of the Company or are among the top ten shareholders of the company and their spouses, parents or children;

(3) Shareholders who directly or indirectly hold more than 5 percent of the issued shares of the Company or persons who are among the top five shareholders of the company and their spouses, parents and children;

(4) Persons employed in the affiliated enterprises of the controlling shareholder or actual controller of the Company and their spouses, parents and children;

(5) Persons who have significant business dealings with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or persons who are employed in entities with significant business dealings and their controlling shareholders and actual controllers;

(6) Persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all project team members of the intermediary agency providing the services, review personnel at all levels, persons signing reports, partners, directors, senior management personnel and

principal persons in charge;

(7) Persons who have had any of the circumstances listed in items 1 to 6 within the last twelve months;

(8) Other persons who are not independent as stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the business rules of the stock exchange and the Articles of Association of the Company.

The affiliated enterprises of the controlling shareholder or actual controller of the company referred to in items (4) to (6) shall not include enterprises that are under the control of the same state-owned asset management institution as the Company, where relevant provisions consider to have no affiliated relationship with the Company in accordance with the relevant provisions.

Independent directors shall conduct an annual self-examination of their independence and submit the self-examination results to the board of directors. The board shall assess the independence of the independent directors in office each year and issue a special opinion, which shall be disclosed in conjunction with the annual report.

Article 16 To serve as an independent director of the company, the following conditions must be met:

(1) Be qualified to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;

(2) Meet the independence requirements stipulated in the Company's Articles of Association;

(3) Possess basic knowledge of the operation of a listed company and be familiar with relevant laws, regulations and rules;

(4) Have more than five years of experience in law, accounting or economics necessary to perform the duties of an independent director;

(5) Have good personal character and no record of major bad faith or other bad records;

(6) Other conditions as stipulated by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the securities regulatory rules of the place where the company's stocks are listed, and the Company's Articles of Association.

Article 17 Independent directors, as members of the board of Directors, are obligated to be faithful and diligent to the Company and all shareholders and to perform the following duties prudently:

(1) Participate in board decisions and express clear opinions on matters discussed;

(2) Supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management, and

protect the legitimate rights and interests of minority shareholders;

(3) Provide professional and objective advice on the Company's operation and development to promote the improvement of the board's decision-making level;

(4) Other duties as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company 's shares are listed as prescribed by the China Securities Regulatory Commission and the Company' s Articles of Association.

Article 18 Independent directors exercise the following special powers:

(1) Independently engage an intermediary agency to audit, consult or verify specific matters of the Company;

(2) Propose to the board of directors to convene an extraordinary shareholders' meeting;

(3) Propose to convene a board meeting;

(4) Publicly solicit shareholder rights from shareholders in accordance with the law;

(5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(6) Other powers as prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company 's shares are listed as prescribed by the China Securities Regulatory Commission and the Articles of Association.

Where an independent director exercises the powers listed in items (1) to (3) of the preceding paragraph, it shall be subject to the consent of more than half of all independent directors.

Where an independent director exercises the powers listed in Paragraph 1, the Company shall disclose them in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

Article 19 The Board has established special committees such as the Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, whose members are elected by the board from among the directors and are responsible for the Company 's strategic planning, auditing and supervision, nomination and remuneration assessment of directors and senior management, etc.

The special committee is accountable to the board of directors and shall perform its duties in accordance with the Company's Articles of Association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for review and decision. Members of the special committees shall consist entirely of directors, among whom independent directors shall be the majority and conveners of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, the convener of the Audit Committee shall be an

accounting professional among the independent directors, and members of the Audit Committee shall be directors who do not hold senior management positions in the Company.

The Board is responsible for formulating the rules of procedure of the special committees to regulate their operation.

Article 20 The Board is accountable to the shareholders' meeting and exercises the following powers:

(1) Convene the shareholders' meeting and report to it on its work;

(2) Implement the resolutions of the shareholders' meeting;

(3) Decide on the business plans and investment schemes of the Company;

(4) Formulate the Company's profit distribution plan and loss recovery plan;

(5) Formulate plans for increasing or decreasing registered capital, issuing bonds or other securities and going public;

(6) Prepare plans for major acquisitions of the Company, the acquisition of its own shares or mergers, divisions, dissolutions and changes in the form of the Company;

(7) Within the scope authorized by the shareholders' meeting, decide on matters such as the company's external investment, acquisition and sale of assets, asset mortgage, external guarantee, entrusted wealth management, related party transactions, external donations, etc.

(8) Decide on the establishment of the internal management structure of the Company;

(9) Decide on the appointment or dismissal of the general manager, the secretary of the board of directors and other senior management personnel, and decide on their remuneration and rewards and punishments; Based on the nomination of the general manager, decide on the appointment or dismissal of senior management personnel such as deputy general managers and chief financial officers, and decide on their remuneration and rewards and punishments;

(10) Establish the basic management system of the Company;

(11) Formulate a plan for amending the Articles of Association;

(12) Manage the Company's information disclosure matters;

(13) Request to the shareholders' meeting to engage or replace the accounting firm for the company's audit;

(14) Review the work report of the company's general manager and inspect the work of the manager;

(15) Other powers conferred by laws, administrative regulations, departmental rules, the Articles of Association or the shareholders' meeting. Matters beyond the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

The board of directors of the Company shall explain to the shareholders' meeting the non-standard audit opinion issued by the certified public accountant on the Company's financial reports.

Article 21 The board shall determine the authority for external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted wealth management, related transactions, external donation, etc., and establish strict review and decision-making procedures; Major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

(1) Where a transaction of the Company (excluding providing guarantees and financial assistance) meets any of the following standards, it shall be submitted to the board of directors for deliberation:

1. The total assets involved in the transaction (higher of the book value or appraised value) account for more than 10% of the Company 's most recent audited total assets;

2. The net assets involved in the transaction subject (such as equity) (higher of the book value or appriaesd value) account for more than 10% of the Company 's most recent audited net assets and the absolute amount exceeds 10 million Chinese yuan;

3. The revenue related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 10% of the audited revenue of the Company in the most recent accounting year, and the absolute amount exceeds 10 million Chinese yuan;

4. The net profit related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds 1 million Chinese yuan;

5. The transaction amount (including debt and expenses assumed) is more than 10% of the Company 's audited net assets for the most recent period and the absolute amount exceeds 10 million Chinese yuan;

6. Profits generated from transactions account for more than 10% of the Company 's audited net profit for the most recent accounting year, and the absolute amount exceeds 1 million Chinese yuan.

In addition to the provisions of paragraph 4 of Article 21 of these Rules, if a transaction of a listed company meets one of the following standards, it shall be disclosed in a timely manner and submitted to the shareholders' meeting for review after approval by the board of directors:

1. The total assets involved in the transaction account for more than 50% of the Company 's most recent audited total assets. If the total assets involved in the

transaction have both book value and appriased value, the higher of the two shall be adopted;

2. If the net assets involved in the transaction (such as equity) account for more than 50% of the most recent audited net assets of the Company and the absolute amount exceeds 50 million Chinese yuan. If the net assets involved in the transaction have both book value and appriased value, the higher shall be adopted;

3. The revenue related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the audited revenue of the Company in the most recent accounting year, and the absolute amount exceeds 50 million Chinese yuan;

4. The net profit related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds 5 million Chinese yuan;

5. The transaction amount (including debt and expenses assumed) accounts for more than 50% of the audited net assets of the Company in the most recent period, and the absolute amount exceeds 50 million Chinese yuan;

6. Profits generated from transactions account for more than 50% of the audited net profit of the listed company in the most recent accounting year, and the absolute amount exceeds 5 million Chinese yuan.

If the data involved in the calculation of the above indicators is negative, the absolute value shall be taken for calculation. The Company shall apply the provisions of the preceding paragraph on the principle of cumulative calculation for transactions of the same kind related to the subject matter within twelve months; Where the relevant obligations have been fulfilled in accordance with the provisions of the preceding paragraph, they shall not be included in the cumulative calculation. Transactions in which the Company unilaterally gains benefits, including receiving cash assets as gifts, obtaining debt relief, etc., may be exempted from the shareholders' meeting review procedures as stipulated in this paragraph; The Company may also be exempted from the shareholders' meeting review procedure if the transactions of the Company only meet the shareholders' meeting review criteria of Article 4 or 6 of the preceding paragraph and the absolute value of the Company 's earnings per share for the most recent accounting year is less than 0.05 Chinese yuan.

(2) Provision of guarantees: Other external guarantee matters other than those stipulated in Article 50 of the Company's Articles of Association.

(3) Related-party transactions (except for providing guarantees) :

1. Transactions with related natural persons with an amount exceeding 300,000 Chinese yuan;

2. Transactions with related legal persons (or other entities) that amount to more

than 3 million Chinese yuan and account for 0.5% of the absolute value of the Company 's most recent audited net assets.

For transactions between the Company and related parties, if the transaction amount is exceeds 30 million Chinese yuan and accounts for more than 5% of the absolute value of the Company 's most recent audited net assets, shall be reviewed and approved by the board of directors and then submitted to the shareholders' meeting for review.

(4) Provide financial assistance:

The provision of financial assistance shall be considered by the board of directors. In addition to being approved by more than half of all directors, it shall also be approved and resolved by more than two-thirds of the directors present at the board meeting. Financial assistance matters that fall under any of the following circumstances shall be submitted to the shareholders' meeting after being approved by the board of directors:

1. The amount of a single financial assistance exceeds 10% of the Company's most recent audited net assets;

2. The most recent financial statement of the recipient shows a debt-to-asset ratio of more than 70%;

3. The cumulative amount of financial assistance within the last twelve months exceeds 10% of the Company's most recent audited net assets;

4. Other circumstances stipulated in the securities regulatory rules of the place where the Company 's stocks are listed or in the Company' s Articles of Association.

Where the Company provides financial assistance to a wholly-owned subsidiary within the scope of the Company 's consolidated financial statements in which the Company' s shareholding ratio exceeds 50%, and the other shareholders of such wholly-owned subsidiary do not include the Company 's controlling shareholder, actual controller or related parties, the provisions of the preceding two paragraphs may be exempted.

Chapter Ⅲ Convening and Notification of Board Meetings

Article 22 Board meetings are divided into regular meetings and ad hoc meetings. The board shall hold at least four regular meetings each year, convened by the chairman of the board, and each meeting shall be notified in writing to all directors ten days before the meeting.

Article 23 Shareholders representing more than one-tenth of the voting rights,

more than one-third of the directors, or the Audit Committee may propose to convene an extraordinary board meeting. The chairman of the board shall convene and preside over an extraordinary board meeting within ten days of receiving the proposal.

Article 24 The board shall notify the board of the convening of an extraordinary board meeting by means of personal delivery, telephone, fax, mail, text message, WeChat or other recordable means or other written means. The time limit for notification is to notify all directors five days before the meeting. In the event of an emergency, with the unanimous consent of all directors, the convening of an extraordinary board meeting may not be subject to the aforementioned notice time limit, but it shall be recorded in the board record and signed by all directors attending the meeting.

The first meeting of the board of directors after the change of term may be held on the day of the change of term, and the time of the meeting shall not be subject to the method and time of notification as stipulated in paragraph 1.

Article 25 The notice of the board meeting includes the following contents:

(1) Date and place of the meeting;

(2) Duration of the meeting;

(3) Subject matter and agenda;

(4) The date of the notice.

Article 26 After the written notice of the regular meeting of the board of directors has been issued, if it is necessary to change the time, place, etc. of the meeting or add, change or cancel the meeting proposal, a written notice of change shall be issued two days before the originally scheduled meeting date, stating the circumstances and the relevant contents and materials of the new proposal. If it is less than two days, the date of the meeting shall be postponed accordingly or the meeting shall be held as scheduled with the consent of all directors present.

After the notice of an extraordinary meeting of the board of directors is issued, if it is necessary to change the time, place or other matters of the meeting, or to add, change or cancel proposals for the meeting, the consent of all directors attending the meeting shall be obtained in advance and corresponding records shall be made.

Chapter Ⅳ Convening of the Board of Directors

Article 27 Board meetings shall be held in the form of on-site, electronic communication, or a combination of on-site and communication, and resolutions shall be voted on by named voting.

Article 28 A meeting of the board shall be held only when more than half of the directors are present. If the general manager and the secretary of the board are not

directors, they shall attend the board meeting as non-voting participants. If the chairperson deems it necessary, he or she may notify other relevant persons to attend the board meeting as non-voting participants.

If a director has an association with an enterprise or individual involved in the matters to be resolved at the board meeting, the director shall promptly report in writing to the board. A director with an associated relationship shall not exercise the right to vote on such resolution, nor shall he exercise the right to vote on behalf of any other director. The board meeting may be held if more than half of the directors who are not associated with the board are present, and resolutions made at the board meeting must be passed by more than half of the directors who are not associated with the board. If the number of directors present at the board meeting is less than three, the matter shall be referred to the shareholders' meeting for consideration.

Article 29 The board meeting shall be attended by the directors themselves; If a director is unable to attend for any reason, he or she may entrust another director in writing to attend on his or her behalf. The power of attorney shall specify the name of the agent, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the principal. A director who is attending the meeting on his behalf shall exercise the rights of a director within the scope of his authorization. A director who does not attend a board meeting and does not appoint a representative to attend shall be deemed to have waived his right to vote at that meeting.

Article 30 The following principles shall be followed when entrusting and being entrusted to attend board meetings:

(1) When considering related party transactions, non-related directors may not entrust related directors to attend on their behalf; A related director may not accept a commission from a non-related director either;

(2) An independent director may not entrust a non-independent director to attend on his behalf, and a non-independent director may not accept the entrustment of an independent director;

(3) A director may not fully entrust another director to attend on his behalf without stating his personal opinion on the proposal and his intention to vote, and the director concerned may not accept a full power of attorney or an attorney whose authorization is not clear.

(4) A director may not accept the entrustment of more than two directors, nor may a director entrust a director who has already accepted the entrustment of two other directors to attend on his behalf.

Chapter Ⅴ Procedures, voting, resolutions and Records of

the Board of Directors

Article 31 The chairperson of the meeting shall declare the meeting open at the scheduled time. After the directors have agreed on the agenda, the meeting, under the chairmanship of the chairperson, examines each motion item by item. First, the proposer of the motion or the person entrusted by the proposer of the motion reports to the board of directors or explains the motion.

The chairperson of the meeting shall ask the directors present at the board meeting to give a clear opinion on each proposal.

For proposals that require prior approval from independent directors as stipulated, the chairperson shall, before discussing the relevant proposals, appoint an independent director to read out the written approval opinion reached by the independent directors.

If a director hinders the normal progress of the meeting or affects the speech of other directors, the chairperson of the meeting shall promptly stop it.

Except with the unanimous consent of all directors present at the meeting, the board meeting shall not vote on proposals not included in the meeting notice. A director who is entrusted by another director to attend a board meeting shall not vote on proposals not included in the meeting notice on behalf of the other directors.

Article 32 The following matters shall be submitted to the board of directors for consideration with the consent of more than half of all independent directors of the company:

(1) Related transactions that should be disclosed;

(2) Plans for the Company and related parties to change or waive commitments;

(3) Decisions and measures taken by the board of directors of the acquired company in connection with the acquisition;

(4) Other matters as prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company 's shares are listed, and the Company' s Articles of Association.

Article 33 Voting at the meeting shall be conducted on a one-person-one-vote basis by means of written registration, etc.

Each director has one vote. A resolution of the board must be passed by a majority vote of all directors.Where this rule requires the approval of more than two-thirds of the directors, a resolution may be made only with the approval of more than two-thirds of the directors.

Article 34 When the board of directors considers related party transactions, related party directors shall abstain from voting and shall not exercise voting rights on behalf of other directors, and their voting rights shall not be counted in the total number of voting rights. The board meeting may be held if more than half of the

non-affiliated directors are present, and resolutions made at the board meeting must be passed by more than half of the non-affiliated directors. If the number of non-affiliated directors present at the board meeting is less than three, the Company shall submit the transaction to the shareholders' meeting for consideration.

Article 35 The board of directors shall act strictly in accordance with the authorization of the shareholders' meeting and the Company's Articles of Association, and shall not form resolutions beyond its authority.

Article 36 The board of directors shall make minutes of the decisions on the matters discussed at the meeting, and the directors attending the meeting and the secretary of the board of directors shall sign the minutes. The minutes shall be true, accurate and complete. Directors attending the meeting shall have the right to request that explanatory notes be made in the minutes of their speeches at the meeting.

Minutes of board meetings shall be kept as company archives for a period of no less than ten years.

The minutes of board meetings include the following:

(1) The date, place and name of the convener of the meeting;

(2) The names of the directors attending the meeting and the names of the directors (agents) attending the meeting on behalf of others;

(3) Agenda of the meeting;

(4) Key points of Directors' statements;

(5) The voting method and result for each resolution item (the result shall indicate the number of votes in favor, against or abstention).

Article 37 The directors attending the meeting shall sign the minutes of the meeting and the minutes of the resolutions on behalf of themselves and the directors who entrusted them to attend. If a director has a dissenting opinion on the minutes or resolutions, he or she may make a written statement when signing. If a director neither signs the minutes as prescribed in the preceding paragraph nor makes a written statement of his dissenting opinion, it shall be deemed that he fully agrees with the contents of the minutes and resolutions.

Directors shall be responsible for the resolutions of the board meetings. Directors who participated in the resolution of the board meeting shall be liable for compensation to the Company if the resolution of the board meeting violates laws, administrative regulations or the articles of association and causes serious losses to the Company; A director may be exempted from liability if it is proved that he expressed an objection at the time of voting and such objection is recorded in the minutes of the meeting.

Article 38 Matters concerning the announcement of board resolutions shall be handled by the secretary of the board in accordance with the relevant regulations of the regulatory authorities of the listing place. Before the announcement of the

resolution is made public, the directors present at the meeting, the attendees of the meeting, the recorders and service personnel, etc. are obligated to keep the content of the resolution confidential. The chairman of the board shall urge the relevant personnel to implement the board resolution, inspect the implementation of the resolution, and report on the execution of the formed resolution at subsequent board meetings.

Article 39 Board meeting archives, including meeting notices and materials, meeting sign-in books, power of attorney for directors to attend on their behalf, meeting audio data, voting ballots, meeting minutes signed and confirmed by attending directors, meeting minutes, resolution records, resolution announcements, etc., shall be kept by the secretary of the board.

Chapter VI Supplementary Provisions

Article 40 Matters not covered by these Rules shall be governed by relevant national laws, regulations, normative documents and the provisions of the Company's Articles of Association. Where there is any inconsistency between these Rules and the relevant laws, regulations, normative documents and Articles of Association, the relevant laws, regulations, normative documents and Articles of Association shall prevail.

Article 41 The terms "above" and "before" as used in these rules include the base number; "More than half", "over", "more than", "less than", "less than" do not include the base number.

Article 42 This rule shall be interpreted by the board of directors.

Article 43 These Rules, as an annex to the articles of association, are drafted by the Board of Directors of the company and shall come into effect on the date of approval by the shareholders' meeting of the company, and the same applies to any amendments.

Board of Directors of
Shandong Molong Petroleum Machinery Company Limited
November 2025