首钢朗泽
Shougang LanzaTech

BEIJING SHOUGANG LANZATECH TECHNOLOGY CO., LTD.
北京首鋼朗澤科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Set out below are the terms of reference (the "**Terms of Reference**") of the audit committee of the board of directors (the "**Committee**") of Beijing Shougang LanzaTech Technology Co., Ltd. (**the** "**Company**").

1. PURPOSE

1.1 The purpose of the Committee is to assist and advise the board (the "**Board**") of directors (the "**Directors**") of the Company in establishing formal and transparent arrangements to consider how the Board should apply financial reporting, risk management and internal control principles, and for maintaining an appropriate relationship with the Company's auditors and for approving connected transactions.

2. COMPOSITION

2.1 The Committee shall comprise a minimum of three members consisting of non-executive Directors only and a majority of which must be independent non-executive Directors, and shall be Directors who do not hold senior management positions in the Company. The Committee must include at least one independent non-executive Director who has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (as amended from time to time). Members of the Committee shall be appointed by the Board.

2.2 The Board shall appoint a member of the Committee as the chairman (the "**Chairman**"), who must be an independent non-executive Director.

2.3 A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Committee within two years from the date of his/her ceasing: (i) to be a partner of the firm; or (ii) to have any financial interest in the firm, whichever is later.

3. MEETINGS

3.1 Unless otherwise specified hereunder, the provisions contained in the Company's articles of association (the "**Articles**") (as amended from time to time) for regulating meetings and proceedings of the Board shall apply to the meetings and proceedings of the Committee.

3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

3.3 The Committee shall meet at least twice a year, or more frequently if necessary.

3.4 The Board, any member of the Committee and the external auditors may request to hold a meeting if they deem necessary.

3.5 The chief financial officer of the Company and at least one representative of each of the internal auditors and the external auditors are usually required to attend meetings. Other members of the Board shall also have the right to attendance. However, the Committee shall meet with the external auditors at least twice a year.

3.6 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him/her.

3.7 The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

3.8 A meeting of the Committee may be convened by any of its members.

3.9 The quorum shall be two members of the Committee.

3.10 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairman shall determine whether or not a meeting of the Committee is a regular meeting.

3.11 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).

3.12 Each member shall have one vote. Subject to the Articles, questions raised at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

3.13 The members of the Committee shall appoint a secretary of the Committee (the "**Secretary**") to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman or the Secretary of the meeting or succeeding meeting.

3.14 Full minutes of meeting of the Committee shall be kept by the Secretary or any one of the joint company secretaries of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any Director.

3.15 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary, which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of attendance records only, the attendance of an alternate of a member of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised or dissenting views expressed by Directors.

3.16 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. ACCESS

4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.

4.2 The Company shall provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. REPORTING PROCEDURES

5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time and recommend any proposed changes to the Board.

5.2 The Committee shall report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

6. AUTHORITY

6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules (as amended from time to time).

6.2 The Committee is authorized by the Board to investigate any activity within these Terms of Reference. It is authorized to seek any data it requires from any employee and all employees will be instructed to co-operate with any request made by the Committee.

6.3 Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the corporate governance report a statement from the Committee explaining its recommendation and also the reason(s) for the Board's dissenting opinion.

7. DUTIES

7.1 Without prejudice to any requirements under the CG Code, the duties of the Committee shall include the following:

(a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and dealing with any issues regarding its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policies on engaging an external auditor to provide non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee should report to, confirm with and make recommendations to the Board on any matters where action or improvement is needed;

(d) to monitor the integrity of the Company's financial statements, annual reports, accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant views in respect of financial reporting contained therein. In reviewing these reports before submission to the Board, the Committee should focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from the audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(e) regarding paragraph (d) above:

(i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and

(ii) the Committee should consider any significant or unusual items that are, or required to be, reflected in reports and accounts, and should take due consideration of any matters proposed by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(f) to review the Company's financial controls, risk management and internal control systems;

(g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to establish effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(j) to review the operating, financial and accounting policies and practices of the Company and its subsidiaries;

(k) to review the letter from the external auditor to management, as well as any material queries raised by the auditor to management about accounting records, financial accounts or control systems, and management's response;

(l) to ensure that the Board provide a timely response to the issues raised by the external auditor in its letter to management;

(m) to report to the Board on the matters within the scope of the CG Code;

(n) to review arrangements which can be used by employees of the Company, in confidence, to raise concerns about any possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions;

(o) to act as the main representative between the Company and the external auditor for overseeing the relationship between them;

(p) to review continuing connected transactions of the Company and ensure compliance with terms approved by shareholders of the Company; and

(q) to consider such other matters as the Board may from time to time determine.

8. ANNUAL GENERAL MEETING

8.1 The Chairman or in his or her absence, other members of the Committee or failing this, their duly appointed delegates, shall attend the annual general meeting (the "**AGM**") of the Company and be prepared to respond to questions raised at the AGM on the Committee's work and responsibilities.

9. OTHERS

9.1 The Terms of Reference, after being resolved and approved by the Board, shall become effective. The special rules specifically for listed companies in the Terms of Reference shall come into effect from the date of the public offering and listing of the Company's shares.

9.2 Matters not covered in the Terms of Reference shall be implemented in accordance with the provisions of the relevant laws, administrative regulations and normative documents of the PRC, and the Articles of Association. In case of any conflict between the Terms of Reference and any future laws, administrative regulations and normative documents of the PRC or the Articles of Association as amended by legal procedures, the relevant laws, administrative regulations and normative documents of the PRC, and the Articles of Association shall prevail, and the Terms of Reference shall be amended immediately and submitted to the Board for approval.

9.3 The right of interpretation of the Terms of Reference belongs to the Board.