



ENN Natural Gas Co., Ltd.

(Stock Code: 600803)

Rules of Procedure for the Audit Committee of the Board of Directors

Chapter I General Provisions

Article 1 To strengthen the decision-making function of the Board of Directors, enhance the fairness, scientificity, and rationality of the Board of Directors in the business decision-making process, protect the legitimate rights and interests of the Company and shareholders, achieve pre-audit and professional audit, ensure the effective supervision of the Board of Directors over the management, and improve the corporate governance structure, according to the “Company Law of the People’s Republic of China”, “Corporate Governance Standards for Listed Companies”, “Listing Rules of Shanghai Stock Exchange”, “Shanghai Stock Exchange Self Discipline Supervision Guidelines for Listed Companies No.1 - Standardized Operation”, “Shanghai Stock Exchange Self Regulatory Guidelines for Listed Companies No.5 - Trading and Related Party Transactions”, “ENN Natural Gas Articles of Association” (hereinafter referred to as “Articles of Association”) and other relevant regulations, the Company specifically establishes the Audit Committee of the Board of Directors and formulates these rules of procedure.

Article 2 The Audit Committee of the Board of Directors is a special working body established by the Board of Directors, mainly responsible for the communication, supervision, and verification of the company’s internal and external audits, as well as the objectivity, fairness, and reasonableness of related transaction matters that the Company (including subsidiaries controlled by the company, the same below) needs to submit to the Board of Directors or shareholders’ meeting for review, and supervises and manages the implementation of related transactions approved by the Board of Directors or shareholders’ meeting.

Chapter II Personnel Composition

Article 3 The Audit Committee shall consist of at least three members, each of whom shall be a director who does not hold a senior management position in the company, with a majority of independent directors, and at least one of the members shall be a professional accountant.

Article 4 Members of the Audit Committee are nominated by the chairman of the board, more than half of the independent directors, or one-third of all directors, and are elected by the Board of Directors.

Article 5 The Audit Committee shall have one chairman (convener), who shall be a professional accountant among the independent directors, and shall be responsible for presiding over the work of the committee.

Article 6 The term of the Audit Committee is consistent with that of the Board of Directors. Members can be re-elected when their term expires. If a member no longer holds the position of Company director during the term, or a member who should have the status of an independent director no longer has the independence stipulated in the “Articles of Association” and the “Management Measures for Independent Directors of Listed Companies”, he or she automatically loses the member qualification, and the committee shall supplement the number of members according to Articles 3 to 5 of these rules of procedure. If a member resigns or the proportion of independent directors in the committee does not comply with relevant laws and regulations or the provisions of the “Articles of Association”, the Company shall complete the by-election within 60 days to ensure that the composition of the committee complies with laws and regulations and the provisions of the “Articles of Association”.

Article 7 The Audit Committee has an Audit Working Group as its daily office, which is responsible for daily work liaison and meeting organization, etc., to assist the committee in performing its duties.

Chapter III Duties and Powers

Article 8 The Audit Committee is responsible for reviewing the company’s financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters should be submitted to

the Board of Directors for review after more than half of all members of the Audit Committee agree:

1. Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;
2. Hiring or dismissing accounting firms handling the company's audit business;
3. Appointing or dismissing the company's financial officer;
4. Making changes to accounting policies, accounting estimates, or correcting major accounting errors for reasons other than changes in accounting standards;
5. Coordinating communication between management, internal audit department and related departments, and external audit institutions;
6. Judging whether related transactions are necessary and beneficial to the Company based on objective standards, and reviewing related transaction matters that need to be submitted to the company's Board of Directors or shareholders' meeting for review;
7. Other matters authorized by the company's Board of Directors and other matters stipulated by relevant laws and regulations and the "Articles of Association".

Article 9 The Audit Committee is responsible to the Board of Directors, and the committee's proposals are submitted to the Board of Directors for review and decision. The Audit Committee should cooperate with the supervisory audit activities of the board of supervisors.

Chapter IV Decision-making Procedure

Article 10 The Audit Working Group is responsible for the preliminary preparation work for the Audit Committee's deliberation, decision-making, review, and supervision management, providing written materials related to the company:

1. Relevant financial reports of the company;
2. Reports from internal and external audit institutions;
3. Written explanations and basis materials on the necessity, objectivity, fairness, and rationality of related party transactions;

4. Other relevant materials required for the Audit Committee's deliberation (if any).

Article 11 The Audit Committee meeting reviews the reports provided by the Audit Working Group and submits the relevant written resolution materials to the Board of Directors for discussion:

1. Evaluation of the work of external audit institutions, and the appointment and replacement of external audit institutions;
2. Whether the company's internal audit system has been effectively implemented, and whether the company's financial reports are comprehensive and truthful;
3. Whether the financial reports and other information disclosed by the Company to the public are objective and truthful;
4. Whether related party transactions comply with relevant laws and regulations and the requirements of the company's internal decision-making system, and whether they comply with the principles of honesty, openness, fairness, and justice;
5. Other relevant materials.

Chapter V Rules of Procedure

Article 12 The Audit Committee meetings are divided into regular meetings and temporary meetings. The Audit Committee should convene a meeting at least once a quarter and convene hold temporary meetings as needed. A temporary meeting can be convened when proposed by two or more members of the Audit Committee, or when the chairman of the Audit Committee deems it necessary.

All members must be notified three days before the meeting is convened. If an Audit Committee meeting needs to be convened as soon as possible due to an emergency, the meeting notice is not subject to the aforementioned time limit, but the convener should explain at the meeting. The meeting is chaired by the chairman. If the chairman cannot attend, he can delegate another member (independent director) to preside.

Article 13 The Audit Committee meeting can only be convened if more than

two-thirds of the members are present; each member has one vote; the resolutions made at the meeting must be passed by a majority of all members.

Article 14 The voting methods at the Audit Committee meeting are by show of hands, voting, or communication voting.

Article 15 Members of the Audit Working Group can attend the Audit Committee meetings, and when necessary, directors, supervisors, senior management, and relevant professionals of the Company can also be invited to attend the meetings.

Article 16 If necessary, the Audit Committee can hire intermediary agencies to provide professional opinions for its decision-making, with the costs being borne by the company.

Article 17 The convening procedures, voting methods, and resolutions passed at the Audit Committee meetings must comply with relevant laws, regulations, the “Articles of Association”, and the provisions of these procedure.

Article 18 There should be records of the Audit Committee meetings, and the members attending the meeting should sign the meeting records; the meeting records are kept by the secretary of the company’s Board of Directors, with a retention period of 10 years.

Article 19 The resolutions passed and the voting results of the Audit Committee meetings should be reported to the company’s Board of Directors in written form.

Article 20 All members attending the meeting have a duty of confidentiality for the matters discussed at the meeting, and they can not disclose or leak relevant information or use such information to seek improper benefits.

Chapter VI Appendix

Article 21 Matters not covered by this Rules of Procedure shall be implemented in accordance with relevant national laws, regulations, normative documents, and relevant provisions of the “Articles of Association”. If this procedure is inconsistent with relevant laws, regulations, normative documents, and provisions of the “Articles of Association”, the provisions of relevant laws, regulations, normative documents, and the “Articles of Association” shall prevail.

Article 27 The interpretation of this procedure is the responsibility of the

company's Board of Directors.

Article 27 This procedure takes effect and is implemented from the date of review and approval by the Company's Board of Directors, and the same applies when it is modified.

ENN Natural Gas Co., Ltd.

Board of Directors

December 8, 2023