



ENN Natural Gas Co., Ltd.

(Stock Code: 600803)

Rules of Procedure for the Compensation and Assessment Committee of the Board of Directors

Chapter I General Provisions

Article 1 To further establish and improve the assessment and compensation management system for the Company's directors (non-independent directors) and senior management, improve the Company's governance structure, in accordance with the "Company Law of the People's Republic of China", "Corporate Governance Standards for Listed Companies", "Shanghai Stock Exchange Self Discipline Supervision Guidelines for Listed Companies No.1 - Standardized Operation", "ENN Natural Gas Articles of Association" (hereinafter referred to as "Articles of Association") and other relevant regulations, the Company has specifically established a Compensation and Assessment Committee of the Board of Directors and formulated these Rules of Procedure.

Article 2 The Compensation and Assessment Committee is a specialized working body established by the Board of Directors, mainly responsible for formulating the assessment standards for the Company's directors and senior management and conducting assessments; it is responsible for formulating and reviewing the compensation policies and plans for the Company's directors and senior management, and is accountable to the Board of Directors.

Article 3 The term "director" as used in these procedure refers to a director who receives compensation from the Company, and "senior management" refers to senior management appointed by the Board of Directors.

Chapter II Personnel Composition

Article 4 The Compensation and Assessment Committee shall consist of at least three directors, with independent directors making up more than half.

Article 5 The members of the Compensation and Assessment 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 6 The Compensation and Assessment Committee shall have one chairman (convener), who shall be an independent director and shall be responsible for presiding over the work of the committee. The chairman shall be elected from among the members and shall be approved by the Board of Directors.

Article 7 The term of the Compensation and Assessment Committee is consistent with the term of the Board of Directors. When the term of a member expires, they can be re-elected. If a member no longer serves as a director of the Company during the term, or a member who should be an independent director no longer has the independence stipulated in the “Articles of Association” and the “Management Measures for Independent Directors of Listed Companies”, they automatically lose their membership, and the committee shall supplement the number of members according to Articles 4 to 6 of these Rules of Procedure. If a member resigns or the proportion of independent directors in the committee does not comply with relevant laws, regulations, or 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, regulations, and the “Articles of Association”.

Article 8 The Compensation and Assessment Committee has a working group, which is specifically responsible for providing the Company’s relevant business information and the relevant information of the evaluated personnel, preparing for the Compensation and Assessment Committee meetings, and implementing the relevant resolutions of the Compensation and Assessment Committee.

Chapter III Duties and Powers

Article 9 The main duties and powers of the Compensation and Assessment Committee are:

1. Formulate compensation plans or schemes based on the main scope, responsibilities, importance of the management positions of directors and senior management, and the compensation level of relevant positions in other related enterprises;

2. Compensation plans or schemes mainly include but are not limited to performance evaluation standards, procedures and main evaluation systems, major reward and punishment schemes and systems, etc.;
3. Review the performing of duties by the Company's directors (non-independent directors) and senior management and conduct annual performance evaluations;
4. Responsible for supervising the implementation of the Company's compensation system;
5. Other matters authorized by the Board of Directors.

Article 10 The Board of Directors has the right to veto any compensation plans or proposals that are detrimental to the interests of shareholders.

The Compensation and Assessment Committee of the Board of Directors has the right to make recommendations to the Board of Directors on the following matters:

1. The compensation of directors and senior management;
2. The establishment or modification of equity incentive plans and employee stock ownership plans, and the conditions for the beneficiaries to exercise their rights;
3. The arrangement of stock ownership plans for directors and senior management in the proposed spin-off of subsidiary companies;
4. Other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission, and the "Articles of association".

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Compensation and Assessment Committee, it should record the opinions of the Compensation and Assessment Committee and the specific reasons for not adopting them in the resolution of the Board of Directors, and disclose them.

Article 11 The compensation plan for the Company's directors proposed by the Compensation and Assessment Committee must be approved by the Board of Directors and then submitted to the Shareholders' Meeting for review and approval before it can be implemented. The compensation distribution plan for the Company's senior management must be approved by the Board of Directors.

Chapter IV Decision-making Procedure

Article 12 The working group under the Compensation and Assessment Committee is responsible for the preliminary preparation of the Committee's decision-making and provides relevant Company information:

1. Provide the Company's main financial indicators and the completion status of business objectives;
2. The scope of work and main responsibilities of the Company's senior management;
3. Provide the completion status of the indicators involved in the performance evaluation system of directors and senior management;
4. Provide the business performance of directors and senior management in terms of business innovation and profit-making capabilities;
5. Provide the relevant calculation basis for the compensation distribution planning and distribution method based on the Company's performance.

Article 13 The evaluation procedure of the Compensation and Assessment Committee for directors and senior management:

1. The Company's directors and senior management report to the Compensation and Assessment Committee and conduct self-evaluation;
2. The Compensation and Assessment Committee evaluates the performance of directors and senior management according to performance evaluation standards and procedures;
3. Based on the results of the performance evaluation and the compensation distribution policy, the Committee proposes the amount of compensation and the method of rewards for directors and senior management. After voting and approval, it is reported to the Company's Board of Directors.

Chapter V Rules of Procedure

Article 14 The Compensation and Assessment Committee convene meetings annually as needed, and notifies all members three days before the meeting. The meeting is chaired by the chairman of the committee. If the chairman cannot attend,

he can delegate another member (independent director) to preside. If there is an urgent need to convene a meeting of the Compensation and Assessment Committee as soon as possible, the meeting notice is not subject to the aforementioned time limit, but the convener should explain at the meeting.

Article 15 The meeting of the Compensation and Assessment Committee 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 more than half of all members.

Article 16 The voting methods at the Compensation and Assessment Committee meetings are by show of hands, voting, or communication voting.

Article 17 When necessary, the Compensation and Assessment Committee meeting can invite the Company's directors, supervisors, and senior management to attend the meeting.

Article 18 If necessary, the Compensation and Assessment Committee can hire intermediary agencies to provide professional opinions for its decision-making, with the costs being borne by the Company.

Article 19 When the Compensation and Assessment Committee meeting discusses topics related to committee members, the parties involved should recuse themselves.

Article 20 The convening procedures, voting methods, and compensation policies and distribution plans approved by the Compensation and Assessment Committee meeting must comply with relevant laws, regulations, "Articles of association", and the provisions of these procedures.

Article 21 The Compensation and Assessment Committee meeting should be recorded, 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 22 The resolutions and voting results passed by the Compensation and Assessment Committee meeting should be reported to the Company's Board of Directors in written form.

Article 23 All members attending the meeting have a duty of confidentiality for the matters discussed at the meeting and can not disclose relevant information without

authorization.

Chapter VI Appendix

Article 24 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 25 The interpretation of this procedure is the responsibility of the Company’s Board of Directors.

Article 26 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