



# **ENN Natural Gas Co., Ltd.**

(Stock Code: 600803)

## **Rules of Procedure for the Board of Directors Meeting**

### **Article 1 Purpose**

To further standardize the deliberation methods and decision-making procedures of the company's Board of Directors, 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, these Rules of Procedure are formulated in accordance with the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Corporate Governance Standards for Listed Companies", and "Listing Rules of Shanghai Stock Exchange" and other relevant regulations.

### **Article 2 Investor Relations Empowerment Group**

The Board of Directors has an Investor Relations Empowerment Group to handle daily affairs.

The secretary of the Board of Directors or the securities affairs representative concurrently serves as the head of the Investor Relations Empowerment Group and is responsible for the custody of the Board of Directors' seal.

### **Article 3 Regular Meetings**

The Board of Directors' meetings are divided into regular meetings and extraordinary meetings.

The Board of Directors should hold at least two regular meetings each year.

### **Article 4 Proposals for Regular Meetings**

Before issuing a notice to convene a regular Board of Directors meeting, the Investor Relations Empowerment Group should fully solicit the opinions of all directors and submit the preliminary proposals to the chairman for drafting.

Before drafting the proposals, the chairman should, as necessary, solicit the opinions of the CEO, president, and other senior management personnel

#### **Article 5 Extraordinary Meetings**

The Board of Directors should convene an extraordinary meeting in any of the following circumstances:

1. When proposed by shareholders representing more than one-tenth of the voting rights;
2. When proposed jointly by more than one-third of the directors;
3. When proposed by the Board of Supervisors;
4. When the chairman deems it necessary;
5. When proposed by more than half of the independent directors;
6. When proposed by the president;
7. When required by the securities regulatory authority;
8. Other circumstances stipulated in the company's "Articles of Association".

#### **Article 6 Procedure for Proposing Extraordinary Meetings**

Those proposing to convene an extraordinary Board of Directors meeting in accordance with the previous article should submit a written proposal signed (sealed) by the proposer through the Investor Relations Empowerment Group or directly to the chairman. The written proposal should include the following:

1. The name or title of the proposer;
2. The reasons for the proposal or the objective circumstances on which the proposal is based;
3. The proposed time or deadline, location, and method of the meeting;
4. Clear and specific proposals;
5. The contact information of the proposer and the date of the proposal, etc.

The content of the proposal should fall within the scope of the Board of Directors' powers as stipulated in the company's "Articles of Association", and materials related

to the proposal should be submitted together.

Upon receiving the above written proposal and related materials, the Investor Relations Empowerment Group should forward them to the chairman on the same day. If the chairman finds the content of the proposal unclear, unspecific, or the related materials insufficient, he can request the proposer to revise or supplement.

The chairman should convene and preside over a Board of Directors meeting within ten days after receiving the proposal or the request from the securities regulatory authority.

#### **Article 7 Convening and Presiding over Meetings**

The Board of Directors meetings are convened and presided over by the chairman, with the vice-chairman assisting the chairman. If the chairman is unable to perform his duties or does not perform his duties, the vice-chairman shall convene and preside over the meeting. If the vice-chairman is unable to perform his duties or does not perform his duties, a director shall be elected by more than half of the directors to convene and preside over the meeting.

#### **Article 8 Meeting Notice**

When convening regular and extraordinary Board of Directors meetings, the Investor Relations Group should send the meeting notice to all directors and supervisors ten days in advance and at least two days in advance respectively, via direct delivery, fax, email, or other methods.

In urgent situations where an extraordinary Board of Directors meeting needs to be convened as soon as possible, a meeting notice can be issued at any time by phone or other verbal means, but the convener should explain this at the meeting.

#### **Article 9 Content of Meeting Notice**

A written meeting notice should include at least the following content:

1. The time and place of the meeting;
2. The method of convening the meeting;
3. The items to be reviewed (meeting proposals);
4. The convener and chairperson of the meeting, the proposer of the extraordinary

meeting and their written proposal;

5. Meeting materials necessary for directors to vote;
6. The requirement for directors to attend in person or delegate another director to attend the meeting;
7. Contact person and contact information.

A verbal meeting notice should at least include the content of the above NO.1 and 2, as well as an explanation of the urgent need to convene an extraordinary Board of Directors meeting as soon as possible.

#### **Article 10 Changes to Meeting Notice**

After the written meeting notice for a regular Board of Directors meeting is issued, if there is a need to change the time, place, or other matters of the meeting, or to add, change, or cancel meeting proposals, a written change notice should be issued three days before the originally scheduled meeting date, explaining the situation and the content and related materials of the new proposal. If it is less than three days, the meeting date should be correspondingly postponed or held as scheduled after obtaining the approval of all attending directors.

After the meeting notice for an extraordinary Board of Directors meeting is issued, if there is a need to change the time, place, or other matters of the meeting, or to add, change, or cancel meeting proposals, the approval of all attending directors should be obtained in advance and corresponding records should be made.

#### **Article 11 Convening of Meetings**

A Board of Directors meeting can only be held if more than half of the directors are present. If the minimum number of attendees required for a meeting cannot be met due to a director's refusal or neglect to attend, the chairman and the secretary of the Board of Directors should promptly report to the regulatory authorities.

Supervisors can attend Board of Directors meetings. If the president and the secretary of the Board of Directors do not concurrently serve as directors, they should attend Board of Directors meetings. If the meeting chairperson deems it necessary, other relevant personnel can be notified to attend the Board of Directors meeting.

#### **Article 12 Personal Attendance and Delegated Attendance**

Directors should, in principle, attend Board of Directors meetings in person. If they cannot attend the meeting due to reasons, they should review the meeting materials in advance, form clear opinions, and delegate another director to attend in writing. The power of attorney should include:

1. The names of the principal and the agent;
2. The matters to be represented and the validity period;
3. The principal's brief opinion on each proposal;
4. The scope of the principal's authorization and instructions on voting intentions for the proposal;
5. The principal's signature, date, etc.

The entrusted director should submit the written power of attorney to the meeting chairperson and explain the situation of the entrusted attendance in the meeting sign-in book.

If a director fails to attend in person for two consecutive times and does not delegate another director to attend the Board of Directors meeting, it is considered that he or she cannot perform his or her duties, and the Board of Directors should recommend that the shareholders' meeting replace him or her.

### **Article 13 Restrictions on Delegated Attendance**

The delegation and acceptance of delegated attendance at Board of Directors meetings should follow the following principles:

1. When reviewing related party transactions, non-related directors cannot delegate related directors to attend. Related directors cannot accept the delegation of non-related directors;
2. Independent directors cannot delegate non-independent directors to attend, and non-independent directors cannot accept the delegation of independent directors;
3. Directors cannot fully delegate other directors to attend without stating their personal opinions and voting intentions on the proposal, and relevant directors cannot accept full delegation and unclear authorization.
4. A director cannot accept the delegation of more than two directors, and directors

cannot delegate a director who has already accepted the delegation of two other directors to attend.

#### **Article 14 Meeting Convening Methods (从此处开始检查)**

The Board of Directors meetings should be held in person as a principle. When necessary, under the premise of ensuring that directors can fully express their opinions, with the agreement of the convener (chairperson) and proposer, the meeting can also be held through video, telephone, fax, email voting, etc. The Board of Directors meeting can also be held in a way that combines in-person and other methods.

For meetings not held in person, the number of directors attending the meeting is calculated by the directors who are present via video, express opinions in a telephone conference, actually receive valid voting ballots via fax or email within the specified period, or submit written confirmation letters of having attended the meeting afterwards.

#### **Article 15 Director Attendance Rate**

To further enhance the level of corporate governance, each director's attendance rate at Board of Directors meetings through telephone, video, and other communication methods or in person should not be less than 75% each year, unless there is a reasonable explanation for absence:

1. Medical issues/illness;
2. Family emergencies;
3. Need to abstain from voting.

Delegated attendance shall not be counted towards the relevant director's attendance rate.

#### **Article 16 Meeting Review Procedure**

The meeting chairperson should ask the directors attending the Board of Directors meeting to express clear opinions on each proposal.

If a director obstructs the normal progress of the meeting or affects other directors' speeches, the meeting chairperson should stop it in time.

Except with the unanimous consent of all attending directors, the Board of Directors

meeting should not vote on proposals not included in the meeting notice. Directors who accept the delegation of other directors to attend the Board of Directors meeting on their behalf should not vote on behalf of other directors on proposals not included in the meeting notice.

#### **Article 17 Expressing Opinions**

Directors should carefully read the relevant meeting materials and express their opinions independently and prudently based on a full understanding of the situation.

Directors can understand the information needed for decision-making from the Investor Relations Empowerment Group, meeting convener, president and other senior management personnel, various special committees, accounting firms, law firms, and other relevant personnel and institutions before the meeting, and can also suggest during the meeting that the chairperson invite representatives of the above personnel and institutions to attend the meeting to explain the relevant situation.

#### **Article 18 Meeting Voting**

After each proposal has been fully discussed, the chairperson should timely propose a vote to the attending directors.

Meeting voting is based on one person, one vote, and can be conducted by raising hands, signing a named voting ballot, or other voting methods permitted by laws, administrative regulations, rules, and normative documents.

The voting intentions of directors are divided into agree, disagree, and abstain. Attending directors should choose one of the above intentions. If no choice is made or two or more intentions are chosen at the same time, the meeting chairperson should ask the relevant director to choose again. If they refuse to choose, it is considered abstention; if they leave the meeting halfway and do not make a choice, it is considered abstention.

#### **Article 19 Counting of Voting Results**

After the attending directors have completed voting, the securities affairs representative and relevant staff of the Investor Relations Empowerment Group should promptly collect the directors' votes and hand them over to the secretary of the Board of Directors for counting under the supervision of a supervisor or an independent director.

If the meeting is held in person, the meeting chairperson should announce the counting results on the spot; in other cases, the meeting chairperson should ask the secretary of the Board of Directors to notify the directors of the voting results before the next working day after the end of the specified voting period.

If a director votes after the meeting chairperson announces the voting results or after the end of the specified voting period, their voting situation will not be counted.

#### **Article 20 Formation of Resolutions**

Except for the situation stipulated in Article 20 of these rules, the Board of Directors must have more than half of the total number of directors vote in favor of the proposal to review and pass the meeting proposal and form a related resolution. If laws, administrative regulations, and the company's "Articles of Association" stipulate that the formation of a resolution by the Board of Directors should obtain more directors' consent, it shall be governed by its provisions.

If there is a contradiction in content and meaning between different resolutions, the later formed resolution shall prevail.

#### **Article 21 Abstention from Voting**

In the following circumstances, directors should abstain from voting on relevant proposals:

1. Situations stipulated by the "Shanghai Stock Exchange Stock Listing Rules" where directors should abstain;
2. Situations where the director himself believes he should abstain;
3. Other situations stipulated in the company's "Articles of Association" where directors must abstain due to a relationship with the enterprise involved in the meeting proposal.

In the case of directors abstaining from voting, the relevant Board of Directors meeting can be held with the attendance of more than half of the non-related directors, and the formation of a resolution must be passed by more than half of the non-related directors. If the number of non-related directors attending the meeting is less than three, the relevant proposal should not be voted on and should be submitted to the general meeting of shareholders for review.



## **Article 22 No Overstepping Authority**

The Board of Directors should act strictly in accordance with the authorization of the general meeting of shareholders and the company's "Articles of Association", and should not overstep its authority to form resolutions.

## **Article 23 Special Provisions on Profit Distribution**

When the Board of Directors meeting needs to make a resolution on the company's profit distribution, it can first notify the registered accountant of the distribution plan to be submitted to the Board of Directors for review, and request them to issue a draft audit report based on this (except for other financial data involved in the distribution). After the Board of Directors makes a resolution on the distribution, it should ask the registered accountant to issue a formal audit report, and the Board of Directors should then make a resolution on other related matters of the periodic report based on the formal audit report issued by the registered accountant.

## **Article 24 Postponement of Voting**

If more than half of the attending directors or more than two independent directors believe that the proposal is unclear, not specific, or that they cannot make a judgment on the relevant matters due to insufficient meeting materials, the meeting chairperson should request the meeting to postpone the vote on this topic. The directors proposing the postponement of the vote should make clear requirements for the conditions that should be met for the proposal to be submitted for review again.

## **Article 25 Meeting Recording**

The Board of Directors meetings held in person or via video, telephone, etc., can be recorded in full as needed.

## **Article 26 Meeting Minutes**

The board secretary should arrange for the investor relations empowerment group staff to keep records of the Board of Directors meetings. The meeting minutes should include the following:

1. The session, time, location, and method of the meeting;
2. The issuance of the meeting notice;
3. The convener and chairperson of the meeting;

4. The attendance of directors in person and by delegated;
5. The proposals reviewed at the meeting, the key points and main opinions of each director on the relevant matters, and the voting intentions on the proposals;
6. The voting method and results of each proposal (specifying the specific number of votes for, against, and abstentions);
7. Other matters that the directors present believe should be recorded.

#### **Article 27 Meeting Summary and Resolution Records**

In addition to the meeting minutes, the board secretary can also arrange for the Investor Relations Empowerment Group staff to create a concise meeting summary and separate resolution records based on the voting results.

#### **Article 28 Director's Signature**

The directors present should sign the meeting minutes and resolution records on behalf of themselves and the directors they represent by delegated. If a director disagrees with the meeting minutes or resolution records, they can make a written explanation when signing. If necessary, they should report to the regulatory authorities in a timely manner and can also make a public statement.

If a director neither signs to confirm as stipulated in the previous clause, nor provides a written explanation of their disagreement, nor reports to the regulatory authorities, nor makes a public statement, they are considered to fully agree with the content of the meeting minutes and resolution records.

#### **Article 29 Resolution Announcement**

The board secretary should handle the announcement of board resolutions in accordance with the relevant provisions of the "Shanghai Stock Exchange Stock Listing Rules". Before the disclosure of the resolution announcement, the directors present, attendees, recorders, and service personnel, etc., have the obligation to keep the resolution content confidential.

#### **Article 30 Execution of Resolutions**

The chairman should urge the relevant personnel to implement the board resolutions, check the implementation of the resolutions, and report on the execution of the resolutions at subsequent board meetings.

### **Article 31 Preservation of Meeting Archives**

The board secretary is responsible for preserving the board meeting archives, which include meeting notices and materials, sign-in books, power of attorney for directors to attend on behalf (if any), meeting recording materials (if any), voting ballots, meeting records confirmed by the directors present, meeting summaries (if any), resolution records, resolution announcements, etc.

The preservation period for the Board of Directors meeting archives should be more than ten years.

### **Article 32 Supplementary Provisions**

In these rules, “above” includes this number.

These rules shall come into effect after being formulated by the Board of Directors and approved by the general meeting of shareholders, and the same applies when they are amended.

For matters not covered in these rules of procedure, the relevant laws, regulations, normative documents, and the company’s “Articles of Association” shall be followed; if these rules of procedure are inconsistent with the relevant provisions of the relevant laws, regulations, normative documents, and the company’s “Articles of Association”, the relevant provisions of the relevant laws, regulations, normative documents, and the company’s “Articles of Association” shall prevail; if these rules of procedure conflict with the laws, regulations, normative documents promulgated by the state in the future, the relevant laws, regulations, normative documents shall be followed, and immediate amendments shall be made and submitted to the general meeting of shareholders for review and approval.

These rules are interpreted by the Board of Directors.

ENN Natural Gas Co., Ltd.

Board of Directors

June 25, 2022