

# **TERMS OF REFERENCE OF THE PRODUCTION COMMITTEE UNDER THE BOARD OF DIRECTORS OF INNER MONGOLIA YITAI COAL CO., LTD.**

## **Chapter 1 General Provisions**

**Article 1** In order to refine the coal production management system of Inner Mongolia Yitai Coal Co., Ltd. (the “Company”) and upgrade the corporate governance structure of the Company, the Production Committee (the “Committee”) has been founded and these Terms of Reference (these “Terms”) have been formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Code of Governance for Listed Companies, the listing rules of the stock exchanges where the Company’s shares are listed, the Code on Corporate Governance of the Hong Kong Listing Rules, the Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (the “Articles of Association”), the Procedures of Meetings of the Board of Directors of Inner Mongolia Yitai Coal Co., Ltd. and other relevant regulations and regulatory documents.

**Article 2** The Production Committee is an internal committee specifically established by the board of directors, the major role of which is to inspect the actual coal output of the Company’s mines, make appropriate adjustments, set coal production volume for the next year and apply to the relevant department for permission to increase the determined production capacity. And the Committee shall be responsible and report on its work to the board of directors.

## **Chapter 2 Composition**

**Article 3** The Committee shall consist of five directors, including two independent non-executive directors.

**Article 4** Members of the Committee shall either be nominated by the chairman of the board of directors, more than half of the independent non-executive directors, or one third of all the directors, and shall be elected by a simple majority of the members of the Board.

**Article 5** The Committee shall have one chairman (convener) in charge of its work, and the chairman of the Company is recommended for this position. The chairman shall be elected from the Committee and approved by the board of directors.

**Article 6** Members of the Committee shall serve for the same term as the directors of the Company and may serve consecutive terms if re-elected. Any member of the Committee who is no longer a director of the Company shall be inevitably dismissed from the Committee, and the board of directors shall appoint a replacement to fill in the opening attributing to such dismissal pursuant to Articles 3 to 5 above.

**Article 7** The members of the Committee shall meet the following conditions:

- (1) Having no record of being disqualified from the directors, supervisors, or senior management of the Company as defined by the Company Law or the Article of Association;
- (2) Having no record of being identified as inappropriate candidate or public censure by any stock exchanges in recent three years;
- (3) Having no record of administrative penalties by CSRC due to material irregularities in recent three years;
- (4) Morally qualified, proficient in the relevant industry, capable of analyzing and estimating macro-economy and making decisions comprehensively and equipped with relevant professional knowledge and work experience in the industry;
- (5) Qualified pursuant to relevant laws, regulations or other terms in the Articles of Association.

**Article 8** Anyone who does not meet the above conditions shall not be elected the member of the Committee. Any member of the Committee who falls short of the above conditions during his/her serve shall resign voluntarily or be removed by the board of directors.

**Article 9** The working group has been set up under the Committee. The group is responsible for providing information on the Company's operation and the corresponding aspects and the members under review, preparing for the meetings of the Committee and carrying out the resolutions approved by the Committee.

### **Chapter 3 Duties and Responsibilities**

**Article 10** The Committee shall perform the following obligations and responsibilities:

- (1) To set the coal production volume of the Company's mines for the next year based on the determined production capacity plan;
- (2) To carry out inspection on the actual coal output of the Company's mines;
- (3) To make adjustments to the planed coal production volume of the Company's mines for the next year according to the practical situations of the Company;
- (4) To apply to the relevant department for permission to increase the determined coal production capacity to match up with the next year's planed coal production volume of the Company's mines according to the practical situations and requirements of the Company;

- (5) To report to the board of directors on the check result of the actual coal output of the Company's mines and give an overview of the work plans;
- (6) To occasionally hold meetings attended by all or part of the Committee members to discuss special subject matters;
- (7) To perform other tasks as authorized by the board of directors.

**Article 11** The Committee shall be accountable to the board of directors. Proposals of the Committee shall be submitted to the board of directors for consideration and determination.

#### **Chapter 4 Decision-making Procedures**

**Article 12** The working group under the Committee should fulfill its duty to prepare ahead of time for the decision-making of the Committee, providing relevant documents and information:

- (1) To provide information on monthly, quarterly and annual coal production volume plans;
- (2) To provide reports on actual coal output;
- (3) To provide reports on adjustments to the planned annual coal production capacity;
- (4) To provide feasibility analysis on the application by the mines of the Company to the relevant department for permission to increase the determined production capacity;
- (5) To provide information on the working process of determining the production capacity by the competent department;
- (6) To provide analysis reports on whether or not the coal production volume shall have impact on the safety production of coal.

**Article 13** The meetings of the Committee are held to consider and vote on the proposals put forward by the working group, the result of which shall be reported to the board of directors and sent to the working group.

#### **Chapter 5 Rules of Procedure**

**Article 14** The Production Committee shall hold regular meetings at least once every year. All members of the Committee shall be notified fourteen (14) days prior to such meeting. In the event that the board of directors or the chairman of the Production Committee considers it necessary to hold a special Production Committee meeting or more than half of the members of the Committee propose to do so, all members of the Committee shall be notified five (5) days prior to such meeting. In case of an emergency or other special events, the aforesaid time and requirements of notice may be waived upon approval of the chairman, and the meeting notice may be sent at any time, but the chairman of

the Production Committee shall make an explanation at the meeting. The chairman of the Production Committee shall convene and preside over the meetings of the Committee. Where the chairman is unable to perform his duties, he shall appoint another member to perform the duties on his behalf. Where the chairman is unable or fails to perform his duties and he fails to appoint another member to perform the duties on his behalf, any member who shall be elected by more than half of the members of the Committee shall perform the duties of the chairman.

The notice of the meeting shall include at least the following details:

- (1) Time and venue of the meeting;
- (2) Matters and proposals to be considered;
- (3) Contact person and means of contact; and
- (4) The date of the notice.

**Article 15** A meeting of the Committee may only be held if it is attended by more than two thirds of the members of the Committee. Each member of the Committee shall have one vote. Resolutions will be made at the meeting only if they are approved by more than half of all the members.

**Article 16** Members of the Committee may attend meetings of the Committee and exercise voting rights either in person or by proxy.

**Article 17** The member of the Committee who attends the meeting of the Committee and exercises voting rights by proxy shall submit to the presider of the meeting the power of attorney. And the latest time to submit the power of attorney shall be before the voting procedure of the meeting.

**Article 18** The content of the power of attorney shall state the following:

- (1) the name of the principal;
- (2) the name of the proxy;
- (3) the entrusted matters;
- (4) the term of authorization;
- (5) the instruction on how to exercise the voting rights (i.e. for, against, abstain) in respect of the proposals of the meeting and the declaration about whether the proxy can vote based on his own decision when there is no specific instruction; and
- (6) the signature of the principal and the signing date.

**Article 19** Members of the Committee will be considered absent from the meeting of the Committee if they fail to attend in person or by proxy. The members who are absent from the meetings of the Committee twice consecutively will be deemed unable to perform their duties and may be removed from the Committee by the board of directors.

**Article 20** Voting at the meetings of the Committee may be by poll, and meetings of the Committee may take the form of correspondence.

**Article 21** If the Committee deems necessary, it may invite directors, supervisors and senior management to attend the meetings.

**Article 22** The Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making, and all the expenses thereof shall be borne by the Company.

**Article 23** A member of the Committee shall abstain from discussing and voting on the subject matters referring to him/her.

**Article 24** The convening procedures of the meetings of the Committee, the voting methods and the proposals to be passed at the meetings must comply with provisions of relevant laws, regulations, the Articles of Association and these Terms of Reference.

**Article 25** The Committee shall keep minutes of its meetings, which shall be signed by the members of the Committee present at the meeting. If a member of the Committee has expressed any dissenting opinions on the meeting minutes concerning false records, misstatement or omissions, his/her signature is not necessarily required, but his/her written opinions shall be submitted to the secretary to the board of directors in the given time mentioned above. Once the false records, misstatement or omissions in the meeting minutes are confirmed, correction should be made by the secretary to the board of directors, and the corrected meeting minutes shall be signed by the members of the Committee. The secretary to the board of directors shall be responsible for the preservation of the meeting minutes which shall last for 10 years.

The minutes of a Committee meeting shall specify:

- (1) The date and venue of the meeting and the name of the convener;
- (2) The names of the attendees and notes specifically added to the proxies;
- (3) The agenda of the meeting;
- (4) Summaries of the speeches of the Committee members;

- (5) The voting method and result for each proposal (the voting result shall set out the respective numbers of pros, cons and abstentions);
- (6) Other issues that should be included into the minutes.

**Article 26** Proposals approved at the meetings of the Committee and the voting results thereon shall be reported to the board of directors in writing.

**Article 27** Members attending the meetings of the Committee shall have the obligation to keep confidential and not to disclose, without proper authorization, any of the matters discussed at the meeting.

## **Chapter 6 Supplementary Provisions**

**Article 28** These Terms of Reference shall come into effect on the date on which it is considered and approved by the board of directors.

**Article 29** Matters not included herein shall be dealt with in accordance with the relevant provisions of the country's laws, regulations and the Articles of Association. In the case of any conflict between these Terms and the country's laws and regulations to be promulgated thereafter or any duly and legally amended Articles of Association, the latter shall prevail and these Terms shall be forthwith amended in accordance with the latter and submitted to the board of directors of the Company for consideration and approval.

**Article 30** The right to formulate, revise and interpret these Terms shall vest in the board of directors of the Company. "More than" referred in these Terms includes the underlying number.

**Article 31** These Terms of Reference are written in Chinese, and this English version is provided for reference purpose only. In the case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

The Board of Directors

INNER MONGOLIA YITAI COAL CO., LTD.

29 March 2023