



Tianjin Capital Environmental Protection Group Company Limited

天津創業環保集團股份有限公司

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

(Stock Code: 1065)

IMPLEMENTATION RULES OF THE STRATEGIC AND ESG COMMITTEE OF THE BOARD OF DIRECTORS **(as amended on 23 April 2024)**

CHAPTER 1 GENERAL PROVISIONS

Article 1 To adapt to the needs of the Company's strategic development, enhance the Company's core competitiveness, determine the Company's development planning, raise the Company's environmental, social and governance (hereinafter referred to as "ESG") management capability and improve the Company's governance structure, the Company hereby establishes the Strategic and ESG Committee of the Board of Directors (hereinafter referred to as the "Strategic and ESG Committee") and formulates these Implementation Rules in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association of the Company and other relevant regulations.

Article 2 The Strategic and ESG Committee of the Board of Directors is a specialised working body under the Board of Directors, which is mainly responsible for conducting research and making recommendations on the Company's medium to long-term development strategy and ESG governance.

CHAPTER 2 COMPOSITION OF PERSONNEL

Article 3 The Strategic and ESG Committee shall consist of five directors, including at least one independent director.

Article 4 Members of the Strategic and ESG Committee shall be nominated by the Chairman of the Board of Directors or more than one-half of independent directors or more than one-third of all the directors, and shall be elected by the Board of Directors.

Article 5 The Strategic and ESG Committee shall have a chairman who is responsible for presiding over the work of the Committee, the office of which shall be assumed by the Chairman of the Company.

Article 6 The term of office of the members of the Strategic and ESG Committee shall be the same as the term of office of the Board of Directors, and upon the expiration of the term of office of the members, they are eligible for re-election. During their terms of office, if any member ceases to hold the position of Director of the Company, he/she will automatically lose the qualification of the member, and the Board of Directors will make up the number of members in accordance with the provisions of Articles 3 to 5 above.

Article 7 The Strategic and ESG Committee shall take the Office of the Board of Directors of the Company as its daily office, which shall assist the Strategic ESG Committee in carrying out its works.

CHAPTER 3 DUTIES AND POWERS

Article 8 The major terms of reference of the Strategic and ESG Committee shall be as follows:

- (i) to carry out research and make recommendations on matters relating to the Company's development strategies, business policies, medium to long-term development plans, progress in the implementation of the plans and strategic evaluation reports;
- (ii) to conduct research, analysis and assessment on ESG-related matters such as the Company's ESG vision, planning and governance structure, and provide recommendations to the Board of Directors; to identify the Company's sustainable development and ESG-related impacts, risks and opportunities; to consider and submit the Company's annual ESG report to the Board of Directors; and to implement ESG-related decisions of the Board of Directors;
- (iii) to study and make recommendations on other major matters affecting the development of the company;
- (iv) to inspect the implementation of the above matters;
- (v) to carry out such other matters as may be authorised by the Board of Directors.

Article 9 The Strategic and ESG Committee shall be accountable to the Board of Directors and the proposals of the Committee shall be submitted to the Board of Directors for consideration and decision.

CHAPTER 4 DECISION-MAKING PROCESS

Article 10 The Corporate Management Centre, the Office of the Board of Directors and the management of the Company shall be responsible for making the preliminary preparations for the decision-making of the Strategic and ESG Committee and providing all the information relating to the decision-making matters.

The decision-making process for the Strategic and ESG Committee shall be as follows:

1. The relevant functional departments of the Company shall prepare drafts of the Company's development strategy-related or ESG and other related work matters and submit them to the Company's management for initial review;
2. After the initial review by the Company's management, the drafts shall be submitted to the Strategic and ESG Committee for consideration;
3. The Strategic and ESG Committee shall deliberate on the relevant matters and submit the relevant resolutions to the Board of Directors in writing. Where the approval of the Board of Directors or the shareholders' general meeting is required, the Strategic and ESG Committee shall submit a proposal to the Board of Directors and carry out the approval procedures in accordance with the relevant laws, regulations and the Articles of Association of the Company.

CHAPTER 5 RULES OF PROCEDURE

Article 11 The Strategic and ESG Committee shall hold a meeting at least once a year and notify all members five days before the meeting, which shall be presided over by the Chairman of the Committee, who shall delegate another member to preside over the meeting if he/she is unable to attend.

Article 12 Meetings of the Strategic and ESG Committee shall be held with the presence of more than two-thirds of the members, and each member shall have one vote, and the resolutions made at the meeting must be passed by a majority of all members.

Article 13 Voting at meetings of the Strategic and ESG Committee shall be by show of hands or by a poll. Meetings may be held by teleconference or with the aid of similar communications equipment, and all participating members shall be deemed to be physically present at the meeting as long as they are able to hear and communicate with the other members.

Article 14 Directors, supervisors and other senior management of the Company may also be invited to attend the meeting as and when necessary.

Article 15 If necessary, the Strategic and ESG Committee may engage intermediary organisations to provide professional advice for its decision-making at the expense of the Company.

Article 16 The procedures for convening the meetings of the Strategic and ESG Committee, as well as the voting method and the proposals passed thereat must follow the requirements of relevant laws, regulations, the Company's Articles of Association and the provisions of these Implementing Rules.

Article 17 Meetings of the Strategic and ESG Committee shall have minutes, and the members attending the meetings shall sign on the minutes; the minutes shall be kept by the secretary of the Board of Directors.

Article 18 The proposals and voting results adopted at the meetings of the Strategic and ESG Committee shall be reported in writing to the Board of Directors of the Company.

Article 19 Members present at a meeting shall have a duty of confidentiality with respect to matters discussed at the meeting and shall not disclose the relevant information without authorisation.

CHAPTER 6 SUPPLEMENTAL PROVISIONS

Article 20 These Implementation Rules shall be effective as from the date of adoption of the resolution by the Board of Directors.

Article 21 Matters not covered in these Implementation Rules shall be implemented in accordance with relevant national laws, regulations and the Articles of Association of the Company; in the event of any conflict between these rules and laws and regulations of the state or the Articles of Association of the Company amended through lawful procedures in the future, such relevant national laws, regulations and the Articles of Association of the Company shall prevail, and these rules shall immediately be amended and reported to the Board of Directors for consideration and adoption.

Article 22 The power of interpretation of these rules shall vest in the Board of Directors of the Company.

These rules are available in both English and Chinese versions, the English version is for reference only. If there is any conflict between the two versions, the Chinese version shall prevail.