



LONGCHEER

**Shanghai Longcheer Technology Co., Ltd.**

**上海龍旗科技股份有限公司**

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

**(Stock Code: 9611)**

## **The Implementation Rules of the Strategy and ESG Committee of the Board**

### **Chapter I General Provisions**

- Article 1** To meet the strategic development needs of Shanghai Longcheer Technology Co., Ltd. (the “**Company**”), enhance the Company’s core competitiveness, improve the investment decision-making procedures, strengthen the scientific nature of decision-making, enhance the effectiveness and quality of investment decisions, and elevate the Company’s environmental, social and governance (“**ESG**”) management standards, the Company hereby established the Strategy and ESG Committee of the Board and formulated these Rules, in accordance with relevant provisions under the Company Law of the PRC, the Code of Corporate Governance for Listed Companies and other laws, administrative regulations and normative documents, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association of Shanghai Longcheer Technology Co., Ltd. (the “**Articles of Association**”) and in the light of the Company’s actual situation.
- Article 2** The Strategy and ESG Committee is a special working body established by the Board, which is mainly responsible for studying and making recommendations on the Company’s long-term development strategy, major investment decisions and ESG matters.

### **Chapter II Composition**

- Article 3** The Strategy and ESG Committee shall be comprised of three directors, at least one of whom shall be an independent director.
- Article 4** The members of the Strategy and ESG Committee shall be nominated by the chairman of the Board, more than one-half of the independent directors or one-third of all directors, and shall be elected by the Board.
- Article 5** The Strategy and ESG Committee shall have one chairperson (convener), who shall be the chairman of the Board of the Company responsible for convening meetings of the Strategy and ESG Committee and presiding over the work of the Committee. When the chairperson (convener) is unable or incapable of performing his/her duties, he/she may delegate another member to perform the duties on his/her behalf.
- Article 6** The term of office of the Strategy and ESG Committee is the same as that of the Board, and members may be re-elected upon expiration of their terms of office. If a member ceases to serve as a director of the Company during the term, he/she shall cease to be a member automatically, and the vacancy in the Committee shall be filled in accordance with the provisions of Articles 3 to 5 above by the Committee.

### **Chapter III Duties and Authorities**

**Article 7** The Strategy and ESG Committee mainly performs the following duties and authorities:

- (i) to study and make recommendations on the Company's long-term development strategy and plan;
- (ii) to study and make recommendations on the major investment and financing plans that should be approved by the Board as stipulated in the Articles of Association;
- (iii) to study and make recommendations on major capital operation and asset management projects that are required to be approved by the Board as stipulated in the Articles of Association;
- (iv) to study the Company's sustainable development and ESG strategies, objectives and significant matters, review and make recommendations on the Company's ESG-related reports;
- (v) to identify ESG risks and opportunities relevant to the Company, assess the impact of the risks and opportunities on the Company, and make recommendations to address the risks and opportunities;
- (vi) to study and make recommendations on other significant matters that affect the development of the Company;
- (vii) to inspect the implementation of the above matters;
- (viii) to perform other duties as authorized by the Board.

**Article 8** The Strategy and ESG Committee is accountable to the Board, and the proposals of the Committee shall be submitted to the Board for consideration and approval.

### **Chapter IV Decision-making Procedures**

**Article 9** The Company's management shall organize and be in charge of the preliminary preparation for the decision-making of the Strategy and ESG Committee, with relevant departments and subsidiaries providing basic information as required.

**Article 10** After considering the matter(s) stipulated in Article 7, the Strategy and ESG Committee shall formulate resolutions adopted at the meeting of the Strategy and ESG Committee and submit the same to the Board of the Company along with the relevant resolutions.

## Chapter V Rules of Procedure

**Article 11** When convening a meeting of the Strategy and ESG Committee, all members shall be notified via telephone, fax, mail, email or other means at least five days prior to the meeting. Meetings shall be presided over by the chairperson. If the chairperson is unable to attend, he/she may delegate another member (an independent director) to preside.

In urgent circumstances, meetings of the Strategy and ESG Committee may be convened at any time, and members may issue meeting notices via telephone, WeChat, or other verbal means at any time, but the convener shall provide an explanation at the meeting.

**Article 12** The meeting of the Strategy and ESG Committee shall be held only when more than two-thirds of the members are present; each member shall have one vote; resolutions made at the meeting must be passed by a majority of all members.

Members unable to attend meetings in person may authorize another member in writing to attend and exercise their voting rights on their behalf. The power of attorney shall clearly specify the scope and duration of the authorization and express in writing the member's voting opinion on the matters under consideration. Each member may accept authorization from no more than one other member.

**Article 13** Meetings of the Strategy and ESG Committee may be conducted either in person or through telecommunications. Voting shall be conducted by a show of hands or by poll.

**Article 14** The directors and senior management of the Company may be invited to attend the meeting of the Strategy and ESG Committee when necessary.

**Article 15** Where necessary, the Strategy and ESG Committee may engage intermediaries to provide professional advice for its decisions, and the cost shall be borne by the Company.

**Article 16** Meetings of the Strategy and ESG Committee shall be recorded, and the members attending the meeting shall sign the minutes of the meeting, which shall be kept by the Board secretary of the Company.

**Article 17** The resolutions and poll results passed at the meeting of the Strategy and ESG Committee shall be reported in writing to the Board of the Company.

**Article 18** Members attending the meeting shall be obliged to keep confidentiality regarding the matters discussed at the meeting, and shall not disclose relevant information without authorization.

**Article 19** The convening procedures, voting methods and resolutions passed at the meeting of the Strategy and ESG Committee must comply with requirements under relevant laws, regulations, the Articles of Association and these Rules.

## Chapter VI Supplementary Provisions

- Article 20** These Rules shall be effective and implemented from the date of the Company's initial public offering of H shares and listing on the Stock Exchange of Hong Kong Limited, following the passing of the resolution of the Board.
- Article 21** In these Rules, the term "more than" includes the given figure; the term "over" does not include the given figure.
- Article 22** The matters not covered in these Rules shall be implemented in accordance with the relevant national laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In case of any conflicts between these Rules and any laws, administrative regulations, departmental rules, normative documents to be promulgated by the state in the future, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended under lawful procedures, the relevant laws, administrative regulations, departmental rules, normative documents promulgated by the state, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.
- Article 23** The right to interpret these Rules shall reside with the Board.