

**Zhuzhou CRRC Times Electric Co., Ltd.**

**Implementation Rules and Regulations of  
the Strategy and ESG Committee of  
the Board of Directors**

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**ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**  
**IMPLEMENTATION RULES AND REGULATIONS OF**  
**THE STRATEGY AND ESG COMMITTEE OF**  
**THE BOARD OF DIRECTORS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to meet the needs of strategic development of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”), improve the performance of environmental, social and corporate governance (the “ESG”) of the Company, enhance the core competitiveness of the Company, determine the development plan of the Company, improve the investment decision-making procedures, strengthen the scientific decision-making process, enhance the efficiency and quality of major investment decisions, and optimize the governance structure of the Company, the board of directors of the Company specifically established the strategy and ESG committee of the board of directors (the “Strategy and ESG Committee” or the “Committee”) and formulated these rules in accordance with the Company Law of the People’s Republic of China, the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the above listing rules are hereinafter referred to as the “Listing Rules of Listing Places”), the Opinion on the Further Promotion of the Standardised Operation and In-depth Reform of Companies Listed Overseas (《進一步促進境外上市公司規範運作和深化改革的意見》) and other relevant laws, administrative regulations, regulatory documents as well as the requirements of the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “Articles of Association”).

**Article 2** The Strategy and ESG Committee of the board of directors is a body specifically established by the board pursuant to the resolutions of the shareholders’ general meeting and the board, which is mainly responsible for conducting studies and making recommendations on the Company’s long-term development strategy, major investment decisions, sustainable development plans and ESG efforts.

**CHAPTER 2 COMPOSITION**

**Article 3** The Strategy and ESG Committee shall be composed of three or more directors, which shall include at least one independent non-executive director.

**Article 4** The members of the Strategy and ESG Committee shall be nominated by the chairman of the board, more than half of the independent non-executive directors or one-third of all directors and be elected by the board of directors.

**Article 5**

The Strategy and ESG Committee shall have a chairman (convener) who shall be the chairman of the board of directors of the Company. The Strategy and ESG Committee has a working team under it, which shall be responsible for the notice, record keeping, document organization and filing of the meetings of the Strategy and ESG Committee.

**Article 6**

The term of office of a member of the Strategy and ESG Committee shall be consistent with the term of the board of directors. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to be a director of the Company during the term or a member who should be an independent non-executive director ceases to have the independence required by the Listing Rules of Listing Places, the Articles of Association and the Administrative Measures for Independent Directors of Listed Companies, his/her membership shall be terminated automatically and the replacement shall be appointed by the board of directors in accordance with Articles 3 to 5 of these rules. In the event that a member submits a resignation or the proportion of independent directors on the Committee does not meet the requirements of relevant laws and regulations or the Articles of Association, the Company shall complete a by-election within 60 days to ensure that the composition of the Committee meets the requirements of laws and regulations and the Articles of Association, and the term of office of the replacement member shall end at the expiry of the term of office of such member as a director.

**Article 7**

The planning and development department and the operation management department of the Company are the supporting and liaison departments of the Strategy and ESG Committee and are responsible for the preparation of the meetings of the Strategy and ESG Committee and the implementation of the relevant resolutions of the Strategy and ESG Committee. In particular, the planning and development department shall be responsible for strategy-related matters and the operation management department shall be responsible for ESG-related matters, and the responsibilities of the supporting and liaison departments include but are not limited to:

- (1) Responsible for the daily operation of the Committee;
- (2) Arranging the meetings of the Committee and responsible for the minutes of the meetings;
- (3) Responsible for the preliminary preparation for decision-making by the Committee, reviewing materials submitted to the Committee for consideration, and ensuring that the management submits reports and meeting documents to the Committee in an appropriate manner;
- (4) Coordinating and arranging for members to attend or sit in on relevant meetings of the Company and conducting research and study;

- (5) Assisting members to obtain relevant information and requesting management to provide relevant information and materials;
- (6) Responsible for the coordination between the Committee and other committees of the Company;
- (7) Other duties assigned by the Committee.

**Article 8**

At the request of the Committee, members of the supporting and liaison departments may sit in on the meetings of the Committee. If necessary, the Committee may also invite directors, supervisors, senior management or heads of relevant departments of the Company to sit in on the meetings of the Committee.

**CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 9**

Main duties of the Strategy and ESG Committee are:

- (1) responsible for studying the domestic and international economic development situation, industry development trend, national and industry policy development direction, and providing the board of directors with research reports on national policies and industry development.
- (2) responsible for studying the Company's long-term sustainable development strategy and business philosophy, and providing recommendations to the board of directors in formulating the Company's development objectives and development policies.
- (3) responsible for reviewing major investment and financing plans and providing recommendations to the board of directors for deciding whether to implement the plans.
- (4) responsible for reviewing major capital operation projects and providing recommendations to the board of directors for deciding whether to implement the plans.
- (5) to examine and supervise the implementation of the above major projects.
- (6) to conduct research and make recommendations on policies related to the Company's sustainable development and ESG.
- (7) to consider, assess and supervise the Company's major ESG matters, including planning objectives, policy formulation, implementation management, risk assessment, performance, information disclosure and other matters, and report to the board of directors.

- (8) other matters as prescribed by applicable laws, regulations, the Articles of Association, the Listing Rules of Listing Places and as authorized by the board of directors.

#### **Article 10**

The Strategy and ESG Committee shall have the following authorities:

- (1) It shall have the right to require the senior management, including the general manager of the Company, to report to the Committee on its work. When deemed necessary, the Committee may engage external consultants or professionals to conduct special consultations and provide special work or consulting reports at the Company's expense.
- (2) It shall have the right to obtain feasibility study reports on major matters of the Company, major contracts and agreements, and environmental, social and governance (ESG) reports or social responsibility reports, as well as all other information deemed necessary by the Committee.
- (3) The Company shall arrange for the members to participate in various seminars, exhibitions, and investment fairs in order to obtain information for the study of the Company's strategies and ESG matters.

#### **Article 11**

The Strategy 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.

The Strategy and ESG Committee shall report to the board of directors at the first board meeting of each year on the implementation of its work in the previous year.

#### **Article 12**

The Company shall provide the Committee members with necessary resources to perform their duties. When the members exercise their authority, the relevant personnel of the Company shall actively cooperate, shall not refuse, obstruct or conceal, and shall not interfere with the exercise of their authority.

### **CHAPTER 4 DECISION-MAKING PROCEDURES**

#### **Article 13**

The working team of the Strategy and ESG Committee shall be responsible for the information required for consideration of the topics by the Strategy and ESG Committee, which shall at least contain:

- (1) an introduction of the project content, a report on the preliminary feasibility study of the project, a basic introduction of the cooperating parties, and the basic process and steps of project implementation;
- (2) a report on the domestic and international situation of the project development, and a report on the difficulties and risk analysis of project implementation;

- (3) the Company's environmental, social and governance (ESG) report or social responsibility report; and
- (4) the documents of intent on cooperation signed with cooperating parties and other information deemed necessary by the Strategy and ESG Committee.

**Article 14**

The Strategy and ESG Committee shall convene meetings based on the working team's proposals, conduct discussions, and submit the results of the discussions to the board of directors, while providing feedback to the planning and development department and the operation management department of the Company.

**CHAPTER 5 RULES OF PROCEDURE**

**Article 15**

The meetings of Strategy and ESG Committee can be classified into regular meetings and extraordinary meetings.

**Article 16**

Regular meetings of Strategy and ESG Committee shall be convened at least once a year with three days' notice to all members and sufficient meeting materials, but the aforementioned notice period may be waived with the unanimous consent of all members. The meeting shall be chaired by the chairman of the Committee, who may delegate another member of the Committee to chair the meeting if he/she is unable to attend the meeting.

**Article 17**

The chairman of the Committee shall issue a notice of the extraordinary meeting within three days from the date of occurrence of any of the following circumstances:

- (1) when proposed by the board of directors;
- (2) when proposed by the chairman of the Committee;
- (3) when proposed by two or more members of the Committee;
- (4) when proposed by the chairman of the board of directors.

The securities and legal department shall send the notice of the meeting and relevant meeting information to all members three days prior to the extraordinary meeting according to the instruction of the chairman of the Committee, but the aforementioned requirements on notice time and procedures may be waived with the unanimous consent of all members.

**Article 18**

Notice of the meeting shall include:

- (1) the place, date, time and manner of convening the meeting;

- (2) the agenda of the meeting and the matters to be discussed and related information;
- (3) the contact person and contact information of the meeting;
- (4) the date of the notice.

**Article 19** Notice of the meeting may be given by hand, fax, registered mail, email or other means as provided for in the Articles of Association.

**Article 20** Members of the Strategy and ESG Committee shall attend the meetings in person with a diligent and responsible attitude and express their clear opinions on the matters for consideration. If a member is unable to attend a meeting for any reason, he/she shall review the meeting materials in advance and form a clear opinion, and appoint another member to attend and express his/her opinion and exercise his/her voting rights on his/her behalf. Each member shall be appointed by a maximum of one member. If a member who is an independent non-executive director is unable to attend the meeting in person for any reason, he/she shall appoint another member who is an independent non-executive director to attend the meeting on his/her behalf.

**Article 21** If a member of the Strategy and ESG Committee appoints another member to attend the meeting on his or her behalf, he/she shall submit a power of attorney signed by the member to the presiding person. The power of attorney shall specify the name of the principal, the scope, authority and duration of the power of attorney, and shall be submitted to the presiding person no later than the time of the meeting.

**Article 22** The meeting of the Strategy and ESG Committee shall be held with the presence of at least two-thirds of the members; each member shall have one vote; and the resolution made at the meeting shall be passed by more than half of all members.

**Article 23** The member concerned shall recuse himself/herself from the discussion of the topics in which such member of the Committee has a connection or material interest at the meeting of the Strategy and ESG Committee. If the effective deliberative opinion cannot be formed due to the recusal of members of the Committee, the relevant matters shall be considered directly by the board of directors.

**Article 24** Voting at the meeting of the Strategy and ESG Committee shall be taken by a show of hands or by ballot. If necessary, the meeting may also be held by written correspondence under the premise of guaranteeing the full expression of members' opinions.



- Article 25** If necessary, directors, supervisors and senior management members of the Company may be invited to sit in on the meetings of Strategy and ESG Committee and provide necessary information.
- Article 26** If necessary, the Strategy and ESG Committee may engage intermediaries to provide professional advice for its decision-making. All relevant expenses shall be borne by the Company.
- Article 27** The procedures for convening the meetings of the Strategy and ESG Committee, the voting methods and the resolutions passed at the meetings must comply with the requirements of relevant laws and regulations, the Listing Rules of Listing Places, the Articles of Association and these rules.
- Article 28** The Strategy and ESG Committee shall keep minutes for its meetings. Draft and final versions of minutes of the meetings shall be sent to all members of the Committee for their comment and records, respectively within a reasonable time after the meeting. The members of the Committee who attended the meeting shall sign on the minutes. The minutes of the meetings shall be kept by the secretary to the board of directors for a term of ten years.
- Article 29** Resolutions passed at and voting results of the meetings of the Strategy and ESG Committee shall be reported to the board of directors of the Company in writing.
- Article 30** Members present at the meetings of the Strategy and ESG Committee shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose relevant information without authorization. In the event of a breach of the obligation of confidentiality, the member concerned shall bear legal responsibility in accordance with the laws and regulations, the Articles of Association and relevant confidentiality agreements.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

- Article 31** Unless otherwise stated, terms used in these rules shall have the same meanings as those terms in the Articles of Association.
- Article 32** Any matters not covered by these rules shall be implemented in accordance with the provisions of the relevant national laws and regulations, the Listing Rules of Listing Places and the Articles of Association. Should these rules conflict with the relevant national laws and regulations, the Listing Rules of Listing Places coming into effect after the effective date of the rules or the Articles of Association amended after the effective date of the rules through lawful procedures and implemented subsequently, the relevant national laws and regulations, the Listing Rules of Listing Places and the Articles of Association that become effective after the effective date of the rules shall prevail, and these rules shall be revised accordingly and the revision shall be reported to the board of directors for consideration and approval.

**Article 33**                    These rules and amendments thereto shall be effective from the date of passing the resolution of the board of directors of the Company.

**Article 34**                    These rules shall be interpreted by the board of directors of the Company.

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