

CNGR Advanced Material Co., Ltd.

Rules of Procedure for the Strategy and ESG Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 In order to meet strategic needs, enhance its core competitiveness, determine its development plan, improve its environmental, social responsibility and corporate governance (ESG) performance, improve the investment decision-making procedures, strengthen the scientific nature of decision-making, and improve the efficiency and quality of major investment decisions, CNGR Advanced Material Co., Ltd. (the “Company”) has specially established the Strategy and ESG Committee under the Board of Directors as a specialized institution responsible for the Company’s long-term development strategy, ESG performance and major investment decisions.

Article 2 In order to ensure that the Strategy and ESG Committee can carry out its work in a standardized and efficient manner, the Board of Directors has specially formulated these Rules of Procedure in accordance with the provisions of the Company Law of the People’s Republic of China (the “Company Law”), the Governance Standards for Listed Companies, the Articles of Association and other relevant laws, regulations and normative documents.

The ESG responsibilities referred to in this system mean the environmental, social, and corporate governance duties that a company should fulfill during its operation and development, including the protection of the natural environment and resources, the assumption of social responsibilities, and the soundness and transparency of corporate governance. The Company shall, in accordance with the requirements of this system, actively fulfill its ESG responsibilities, conduct irregular evaluations of the ESG responsibility fulfillment and voluntarily disclose its ESG report.

Article 3 The resolutions made by the Strategy and ESG Committee shall comply with the provisions of the Articles of Association, these Rules of Procedure, as well as other relevant laws, regulations and normative documents.

Chapter 2 Composition

Article 4 The Strategy and ESG Committee shall consist of three Directors, including at least the Chairman and one independent Director. Members of the Strategy and ESG Committee shall be elected by the Board.

Article 5 Members of the Strategy and ESG Committee shall be nominated by the Chairman, more than half of the independent Directors or more than one-third of all the Directors, and shall be elected by the Board of Directors.

The Strategy and ESG Committee shall have a convener who shall be the Chairman of the Company. The Convener of the Strategy and ESG Committee is responsible for convening and presiding over the meetings of the Strategy and ESG Committee. When the Convener of the Strategy and ESG Committee is unable or fails to perform his/her duties, another committee member shall be appointed to act on his/her behalf. In the event that the Convener neither performs his or her duties nor designates another Member to perform his or her duties in his or her place, any one of the Members may report the situation to the Board of the Company, which shall designate a Member to perform the duties of the Convener of the Strategy and ESG Committee.

Article 6 Members of the Strategy and ESG Committee shall have the same tenure as the directors of the same session of the Board. The members may be re-elected upon the expiration of the term of office. Before the expiration of the term of office of the Strategy and ESG Committee members, unless there is a situation stipulated in the Company Law, the Articles of Association, the Working System for Independent Directors of CNGR Advanced Material Co., Ltd. or these Rules of Procedure that prohibits them from holding office, or they resign or are dismissed for any other reason, they shall not be unjustifiably removed from their positions. During this period, if any member of the Strategy and ESG Committee ceases to be a director, he/she will automatically lose his/her qualification as a member of the Strategy and ESG Committee.

Article 7 When the Strategy and ESG Committee has fewer than two-thirds of the required number of members due to the resignation or removal of committee members or other reasons, the Board shall promptly appoint new members to the committee. Before the number of members on the Strategy and ESG Committee reaches two-thirds of the quorum, the Strategy and ESG Committee shall suspend the exercise of the powers stipulated in these Rules of Procedure.

Article 8 The provisions in the Company Law and the Articles of Association regarding the duties of Directors apply to the members of the Strategy and ESG Committee.

Chapter 3 Duties and Authorities

Article 9 The main duties and authorities of the Strategy and ESG Committee are as follows:

- (I) To study and make suggestions on the long-term development strategy and plan of the Company;
- (II) To study the major investment and financing plans that should be approved by the Board as required by the Articles of Association and put forward suggestions;
- (III) To study and make recommendations on major capital operation and asset management projects that are required to be approved by the Board of Directors as stipulated in the Articles of Association;
- (IV) To study other important matters that may affect the development of the Company and put forward suggestions;

- (V) To study the ESG governance of the Company and provide decision-making consultation and suggestions, check the progress of the implementation of the Company's ESG strategy and goals, debrief the work reports of the working group and offer opinions, review the Company's annual ESG report and other ESG-related information disclosures to ensure the completeness and accuracy of the ESG reports and other ESG-related disclosures;
- (VI) To inspect the implementation of the above matters;
- (VII) Other affairs authorized by the Board of Directors.

Article 10 The Strategy and ESG Committee shall be accountable to the Board of Directors. Its proposals shall be submitted to the Board of Directors for deliberation and decision.

Article 11 When the Strategy and ESG Committee performs its duties, the relevant departments of the Company shall cooperate. If necessary, the Strategy and ESG Committee can engage an external agency to provide professional advice. The expenses necessary for the Strategy and ESG Committee to exercise its authority shall be borne by the Company.

Chapter 4 Working Procedures

Article 12 The working procedures of the Strategy and ESG Committee are as follows:

- (I) The relevant functional departments of the Company are responsible for providing the Strategy and ESG Committee with timely, complete and accurate information and services;
- (II) The Strategy and ESG Committee holds meetings based on the proposals of the relevant functional departments, conducts deliberations, and submits the deliberation results to the Board of Directors. If necessary, the Strategy and ESG Committee may seek professional advice from intermediaries for its decisions, with the cost assumed by the Company.

Chapter 5 Convening of Meetings and Notices

Article 13 The Strategy and ESG Committee holds meetings irregularly, based on the actual needs and upon the proposal of the committee members. A meeting of the Strategy and ESG Committee shall only be held when more than 2/3 (including 2/3) of its members are present.

Article 14 The meetings of the Strategy and ESG Committee shall be held on the spot in principle. On the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures when necessary. If a communication voting method is adopted, the members who sign their names on the meeting resolution shall be regarded as having attended the relevant meeting and agreeing to the content of the resolution.

Article 15 The Strategy and ESG Committee shall issue the meeting notice 3 days prior to the regular meeting (excluding the day of the meeting). In case of emergency and it is necessary to convene an extraordinary meeting as soon as possible, the meeting notice may be sent by telephone or other means at any time, with no need to follow the notification time limit stipulated in the previous paragraph, provided that the convener shall make explanations at the meeting. The meeting shall be presided over by the committee chairman, or by another member of the committee if the committee chairman is unable to attend.

Article 16 The notice of a meeting of the Strategy and ESG Committee shall at least contain the following contents:

- (I) the time and venue of the meeting;
- (II) duration of the meeting;
- (III) topics to be discussed at the meeting;
- (IV) contact persons for the meeting and their contact information;
- (V) the date of the meeting notice.

Article 17 The meeting notice should include a complete set of proposals.

Article 18 The meeting notice of Strategy and ESG Committee will be sent to all committee members through methods such as fax, email, phone call, WeChat and personal delivery.

When using quick notification methods such as email, phone calls, or WeChat, the day of sending is regarded as the date of service.

Chapter 6 Procedure for Deliberation and Voting

Article 19 Each member of the Strategy and ESG Committee shall have one vote. Resolutions made at the meeting shall be adopted by more than half of all the members (including the members who fail to attend the meeting).

Article 20 Members of the Strategy and ESG Committee may attend the meeting in person or may entrust other members to attend on their behalf and exercise their voting rights. If a member entrusts another member to attend the meeting and exercise his/her voting rights, a power of attorney shall be submitted to the meeting presider. The power of attorney shall be submitted to the meeting presider no later than the time for voting.

Article 21 If a member of the Strategy and ESG Committee neither attends the meeting in person nor delegates another member to attend on his/her behalf, it shall be regarded as absence from the relevant meeting.

If a member of the Strategy and ESG Committee fails to attend the meeting for two consecutive times, it shall be regarded as that the person is unable to properly perform his/her duties. The Board of Directors can remove such member from his/her position.

Article 22 Directors who are not members of the Strategy and ESG Committee may also attend the meetings of the Strategy and ESG Committee upon invitation. If the Strategy and ESG Committee deems it necessary, other persons related to the meeting proposals may be invited to attend the meeting, introduce the situation or express opinions, but persons who are not members of the Strategy and ESG Committee do not have the right to vote on the proposals.

Article 23 The voting methods of the Strategy and ESG Committee meeting shall be voting by show of hands or by poll.

Article 24 The committee members present at the meeting shall, in a serious and responsible manner, deliberate the proposals and express their personal opinions freely; and committee members shall be responsible for their individual votes.

Article 25 When the Strategy and ESG Committee holds its meetings in person, a written meeting minute shall be made. The attending committee members and the recorder shall sign on the meeting minute. The members attending the meeting have the right to have their speeches at the meeting descriptively recorded on the meeting minute.

The minutes of the Strategy and ESG Committee meetings shall be maintained as the Company archives by the Board Secretary for 10 years.

Article 26 The minute of a meeting of the Strategy and ESG Committee shall at least contain the following contents:

- (I) the date and venue of the meeting and the name of the convener;
- (II) the names of the attendees, and if they are attending on behalf of others, this should be specifically noted;
- (III) agenda of the meeting;
- (IV) key points of the committee members' speeches;
- (V) voting method and results of each resolution or proposal (the voting results shall indicate the number of votes in favor, against or abstention);
- (VI) other matters that should be explained and recorded in the meeting minutes.

Article 27 Members of the Strategy and ESG Committee shall be obliged to keep confidential the information they learn about the Company before the information is made public.

Chapter 7 Supplementary Provisions

Article 28 These Rules of Procedure shall take effect on the date when they are approved by the Board.

Article 29 Any matter not covered by these Rules of Procedure shall be implemented in accordance with the provisions of the relevant laws, administrative regulations and departmental rules of the state and the Articles of Association. If these Rules of Procedure conflict with the relevant laws, administrative regulations and departmental rules enacted by the state in the future or the revised Articles of Association, the relevant provisions of the relevant laws, administrative regulations and departmental rules of the state and the revised Articles of Association shall prevail, and these Rules of Procedure shall be promptly revised and submitted to the Board of Directors for approval.

Article 30 The right to interpret these Rules of Procedure shall reside with the Board.