



# ENN Natural Gas Co., Ltd.

(Stock Code: 600803)

## Measures for Administration of Making Donations

**Article 1** These Measures are formulated in accordance with the “Law of the People's Republic of China on Donation for Public Welfare Undertakings”, the “Company Law of the People's Republic of China” and other laws and regulations as well as the “Articles of Association of ENN Ecological Holding Co., Ltd.” (hereinafter referred to as the “Articles of Association”) in order to further regulate the making donation behavior of ENN Ecological Holdings Co., Ltd. (hereinafter referred to as the “Company”) and its subsidiary holding subsidiaries, strengthen the administration of donation matters and better perform social responsibility.

**Article 2** The term “Making Donation” mentioned in these Measures refers to the voluntary and gratis donation of the legal property of the company entitled to dispose to the legal donee in the name of the company, as well as the donation of the legal property of the company in public welfare activities such as helping the society to resist natural disasters, constructing harmonious ecological environment, helping vulnerable groups and increasing social welfare.

**Article 3** Donations shall be made through public welfare social organizations established according to law, non-profit public institutions or corresponding government departments in accordance with the “Law of the People's Republic of China on Donation for Public Welfare Undertakings” and other relevant laws and regulations. Under special circumstances, it may also be donated directly or through legitimate news media etc.

## Chapter II Principles for Making Donations

**Article 4** Being and voluntary and gratis: When a company makes donations, it shall be voluntary, and the company shall refuse all kinds of donations imposed by any department, institution or organization. After the donation, the donee shall not be required to create convenient conditions in the aspects of financing, market access, administrative license and possession of other resources etc., and thus cause unfair competition on the market.

**Article 5** Clear rights and responsibilities: The operator or other employees of the Company shall not donate the properties owned by the Company in their own names.

**Article 6** Making donations within its capabilities: The Company shall actively participate in social public welfare undertakings and fulfill social responsibility within its capabilities. If the Company has already suffered losses or the donation will result in losses or affect the normal production and operation of the Company, no donation shall be made except under special circumstances.

**Article 7** Being honest and trustworthy: When making donations, the company must perform relevant examination and approval procedures. The Company shall not promise donations to the news media, the public or donees in the name of the organization or individual before approval is made in accordance with the prescribed procedures, so as not to affect the behavioral decision or reputation of the Company. Once approved, the Company shall organize implementation according to the making donation scheme. Donations shall comply with laws and regulations, and shall not violate social morality, or impair public interests and other legitimate rights and interests of citizens.

### **Chapter III Types and Scope of Making Donations**

**Article 8** Types of donations:

(1) Donations for public welfare, i. e. donations to education, science, culture, health and medical treatment, public security, sports undertakings and environmental protection and construction of social public facilities.

(2) Relief donation, i. e. donations to “old, young, border and poor” areas that suffer from natural disasters or identified by the state as well as disadvantaged vulnerable social groups and individuals for production, livelihood relief and assistance.

(3) Other donations, i. e., other donations to social public welfare undertakings of the Company in order to promote humanitarian purposes or promote social development and progress, in addition to the above donations.

**Article 9** The assets that a company may use for donation include cash, physical assets (including commodities in stock, fixed assets and other tangible assets) or other materials. The main fixed assets, state financial appropriations, held equity and creditor's rights, entrusted assets, property with security interest, property with unclear ownership relationship required for the production and operation of the Company, or commodity materials that are deteriorated, damaged, expired or discarded shall not be used for donation.

**Article 10** The donees of donations shall be public welfare social organizations outside the company, public welfare non-profit institutions, social vulnerable groups or individuals. Among them, public welfare social organizations refer to foundations, charity organizations and other social organizations established according to law with the aim of developing public welfare undertakings; non-profit public institutions refer to educational institutions, scientific research institutions, medical and health institutions, social public cultural institutions, social public sports institutions and social welfare institutions that are established according to law and engage in public welfare undertakings without profit-making purposes.

**Article 11** The sponsorship expenses incurred from the company's image publicity or product promotion shall be regarded as expenses for publicity and must be implemented according to the company's internal decision-making procedures and relevant rules and regulations.

**Article 12** Except donees as stipulated in Article 10, the Company shall not make donations to entities or individuals who hold office in the Company and have control and controlled relationship with the Company in terms of equity, operation or finance.

#### **Chapter IV Decision-making Procedures and Rules for Making Donation**

**Article 13** The single donation or donations accumulated in a continuous period of 12 months of the Company and its subsidiary holding subsidiaries, including cash donations and donations of physical assets (value calculated according to the net book value), shall be implemented in accordance with the following procedures:

(1) Donations whose amount of the Company's single donation or the cumulative amount of 12 consecutive months accounting for less than 3% of the latest audited net profit value shall be reviewed and approved by the president of the company at the operation decision-making meeting;

(2) The Company's single donation amount or the accumulated amount for 12 consecutive months account for more than 3% of the absolute value of the latest audited net profit of the Company and the absolute amount exceeds 10 million yuan, the donation scheme shall be reviewed and approved by the Board of Directors of the Company;

(3) If the amount of single donation from the Company or the accumulated amount for 12 consecutive months accounts for more than 10% of the absolute value of the latest audited net profit of the Company, and the absolute amount exceeds 50 million yuan, the donation scheme shall be reviewed and approved by the shareholders' meeting.

If the Company needs to submit the donation to the Board of Directors or the Shareholders' Meeting for review due to the principle of cumulative calculation for 12 consecutive months, it only needs to submit this donation to the Board of Directors or the Shareholders' Meeting for review, and together disclose the donations that have occurred within 12 consecutive months in the announcement of the donation. Those who have performed relevant obligations in accordance with this Article shall not be included in the relevant cumulative calculation scope.

**Article 14** Single or 12 consecutive months cumulative donations made by the Company and its subsidiary holding subsidiaries to affiliated parties other than those stipulated in Article 12, including cash donations and donations of physical assets (value calculated according to net book value) shall be implemented according to the following procedures:

(1) The donation scheme of donations with a single donation amount or a cumulative amount of more than 300,000 yuan for 12 consecutive months from the Company to the affiliated natural person shall be reviewed and approved by the Board of Directors of the Company;

(2) The donation scheme of donations with a single donation amount or an accumulated amount of more than 3 million yuan for 12 consecutive months and accounting for more than 0.5% of the absolute value of the latest audited net profit of the Company shall be reviewed and approved by the Board of Directors of the Company;

(3) The donation scheme of donations with a single donation amount or an accumulated amount of more than 3 million yuan for 12 consecutive months and accounting for more than 5% of the absolute value of the latest audited net profit of the Company shall be reviewed and approved by the shareholders' meeting.

If the Company needs to submit the donation to the Board of Directors or the Shareholders' Meeting for review due to the principle of cumulative calculation for 12 consecutive months, it only needs to submit this donation to the Board of Directors or the Shareholders' Meeting for review, and disclose together the donations that have occurred within 12 consecutive months in the announcement of the donation. Those who have performed relevant obligations in accordance with this Article shall not be included in the relevant cumulative calculation scope."

Principle of cumulative calculation for 12 consecutive months:

(1) Transactions with the same affiliated party;

(2) Transactions related to the category of the subject matter of the transaction with different affiliated parties. The above-mentioned same affiliated persons includes legal persons or other organizations which are directly or indirectly controlled by the same legal person or other organization or natural person, or have equity control relationship with each other, and have the same affiliated natural person acting as director or senior manager.

**Article 15** When a company makes donations, the handling department and personnel shall submit an application for donation, which shall be reviewed by the supervisor, and the financial administration department shall analyze the impact of the donation expenditure on the company's financial status and operating results, and, after putting forward review opinions, perform the relevant examination and approval procedures according to the conditions listed in Article 13 of the Measures. Among them, the donation application shall include the following contents: the cause of donation, the donee of donation, the channel of donation, the form of donation, the person responsible for the donation, the composition and amount of the donated property and the handover procedure of the donated property, etc.

**Article 16** For the donation matters approved by the company, the handling department shall establish an account book for future reference and report it to the financial administration department and investor relationship administration department of the company for filing.

## **Chapter V Inspection and Supervision of Donations**

**Article 17** The Company perform well in statistics and publicity work of donations. In principle, the donations shall be made in the company's name.

**Article 18** Upon completion of the donation project, the handling department shall evaluate and summarize the donated items, follow up and supervise the donation, collect relevant data, properly archive relevant picture and text information for future reference, and establish donation files (including but not limited to donation application report, examination and approval procedure documents, statistics of single donation and cumulative donation amount, implementation of donation, donation receipt, etc.).

**Article 19** The financial administration department. of the Company shall be responsible for the routine supervision, inspection and audit of donation. The Company's Investor Relations Department shall be responsible for the disclosure of donation activities.

#### **Chapter VI Supplementary Provisions**

**Article 20** Matters not covered in the Measures shall be implemented in accordance with relevant national laws and regulations and “Articles of Association”. In case of any conflict between the Measures and relevant laws, regulations, normative documents and “Articles of Association”, relevant regulations shall prevail.

**Article 21** The Board of Directors of the Company shall be responsible for the interpretation of the Measures.

**Article 22** The Measures shall take effect upon the approval of the Board of Directors.

ENN Natural Gas Co., Ltd.

Board of Directors

July 21, 2020