

Stock abbreviation: Zijin Mining

Stock code: 601899



Zijin Mining Group Co., Ltd.*
Employee Stock Ownership Scheme for 2023
(Draft)

November 2023

Declaration

The Company and all the Directors and Supervisors hereby warrant that there are no false representations or misleading statements contained herein, or material omissions from the Employee Stock Ownership Scheme, and individually and jointly accept legal responsibilities for its authenticity, accuracy and completeness.

Special notes

- I. The Employee Stock Ownership Scheme for 2023 (the “Employee Stock Ownership Scheme”) of Zijin Mining Group Co., Ltd.* (the “Company” or “Zijin Mining”) is formulated by the Board of the Company pursuant to the provisions of the Company Law of the PRC (the “Company Law”), Securities Law of the PRC (the “Securities Law”), Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis (the “Guiding Opinions”), Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation (the “Guidelines No. 1”) and other laws, rules, regulations, regulatory documents and the Articles of Association (the “Articles of Association”) of Zijin Mining Group Co., Ltd.*
- II. The Company shall implement the Employee Stock Ownership Scheme by following the principle of voluntary participation of the employees. The Company shall not force its employees to participate in the Employee Stock Ownership Scheme by apportionment, mandatory distribution and other means.
- III. The Target Holders of the Employee Stock Ownership Scheme shall be the management and core technical personnel and personnel with higher grade of the Company and its subsidiaries with a total number not exceeding 2,747. Among which, the total number of the executive Directors and senior management of the Company proposed to subscribe for the Employee Stock Ownership Scheme is 13, and the total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total number of units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.
- IV. The total amount of funds proposed to be raised from the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds shall be derived from the lawful salary of the Company’s employees, as well as their self-financing funds and funds raised in other lawful and compliant ways. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company’s production and operation.

- V. The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company. The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company's current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all established and existing employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The accumulated number of the Shares corresponding to the units of the Employee Stock Ownership Scheme obtained by any individual Holders shall not exceed 1% of the total share capital of the Company. The final number of units and proportion shall be determined based on the actual subscription situation of the employees.
- VI. The Employee Stock Ownership Scheme shall be managed by the Company. The Company shall establish a Management Committee of the Employee Stock Ownership Scheme to exercise shareholder rights on behalf of the Employee Stock Ownership Scheme. When the Management Committee exercises shareholder rights on behalf of the Employee Stock Ownership Scheme, it may authorise the Company's secretary to the Board or other individuals to exercise specific shareholder rights. Within the duration period of the Employee Stock Ownership Scheme, the Management Committee may engage relevant professional institutions to provide management, consultation and other services for the day-to-day management of the Employee Stock Ownership Scheme.
- VII. The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares have been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

The lock-up period of the Underlying Shares is 12 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the date on which the Company announces that the last batch of the Underlying Shares have been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance appraisal indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

- VIII. After the Board of the Company considers the Employee Stock Ownership Scheme (the Directors who have any connected relationships shall abstain from voting) and has no objections, the Company shall issue a notice to convene shareholders' general meeting to consider the Employee Stock Ownership Scheme. The shareholders' general meeting at which the Employee Stock Ownership Scheme is considered shall adopt a combination of on-site and online voting.
- IX. The implementation of the Employee Stock Ownership Scheme will not lead to a distribution of shareholding of the Company which fails to satisfy the requirements of relevant listing conditions.

Risk warnings

- I. The Employee Stock Ownership Scheme shall only be implemented after being considered and approved at the Company's shareholders' general meeting. There are uncertainties regarding whether the Employee Stock Ownership Scheme can achieve its objectives after implementation;
- II. Contents in the Draft of the Employee Stock Ownership Scheme regarding the source of funds, contribution ratio, implementation plan, etc. of the Employee Stock Ownership Scheme are preliminarily determined results, which are subject to uncertainties;
- III. There is a risk that the Employee Stock Ownership Scheme cannot be established if the final subscription amount from the employees is relatively low; and
- IV. The subscription contracts of the Employee Stock Ownership Scheme between the Employee Stock Ownership Scheme and the Holders are not yet signed. The Employee Stock Ownership Scheme has not yet received the subscription amount and is subject to uncertainties.
- V. The Company will subsequently disclose relevant progress in accordance with the regulations. Investors are advised to make careful decisions and pay attention to investment risks.

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Definitions

Unless the context otherwise requires, the following expressions have the following meanings:

Abbreviation	Definition
Zijin Mining or Company	Zijin Mining Group Co., Ltd.*
Employee Stock Ownership Scheme	Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*
Administrative Policy	Administrative Policy of the Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*
Draft of the Employee Stock Ownership Scheme	Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*
Holders' Meeting(s)	the Holders' meeting(s) of the Employee Stock Ownership Scheme for 2023 of the Company
Management Committee	the management committee of the Employee Stock Ownership Scheme for 2023 of the Company
senior management	the president, vice-presidents, financial controller, secretary to the Board and other senior management personnel as stipulated in the Articles of Association of Zijin Mining
Underlying Share(s)	the ordinary A Share(s) of the Company proposed to be granted under the Employee Stock Ownership Scheme
Target Holder(s) or Holder(s)	target participant(s) who participate(s) in the subscription of the Employee Stock Ownership Scheme
CSRC	China Securities Regulatory Commission
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
Guiding Opinions	Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis
Articles of Association	the articles of association of Zijin Mining Group Co., Ltd.*
RMB	Renminbi

Note: Any discrepancies between the last digits of the total number and those of the sum of individual items in the contents are due to rounding.

Chapter I General rules

I. Purposes of the Employee Stock Ownership Scheme

Pursuant to the provisions of relevant laws, rules, regulatory documents including the Company Law, Securities Law, Guiding Opinions as well as the Articles of Association, the Company formulated the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*, and sought the opinion of the employees through the labour union. Certain Directors, senior management and employees of the Company who satisfy the conditions can participate in the Employee Stock Ownership Scheme in a voluntary, lawful and compliant manner and hold the Shares of the Company, which is for the following purposes:

- (I) establishing and improving the risk and benefit sharing mechanism between the employees, the Shareholders, the Company and other stakeholders;
- (II) further improving the corporate governance structure, advocating the concept of common sustainable development for the Company and individuals, and effectively motivating the enthusiasm of the management and employees of the Company; and
- (III) attracting and retaining outstanding management talents and key business personnel, balancing the long-term and near-term benefits of the Company, attracting various kinds of talents in a more flexible way so as to better propel the long-term, sustainable and healthy development of the Company.

II. Basic principles of the Employee Stock Ownership Scheme

(I) Principle of legal compliance

The Employee Stock Ownership Scheme shall be carried out by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in an authentic, accurate, complete and timely manner. No persons are allowed to make use of the Employee Stock Ownership Scheme for any actions of insider trading, securities market manipulation and other securities frauds.

(II) Principle of voluntary participation

The Company shall implement the Employee Stock Ownership Scheme by following the principle of voluntary participation of the employees. The Company shall not force its employees to participate in the Employee Stock Ownership Scheme by apportionment, mandatory distribution and other means.

(III) Principle of self-bearing of risks

The Holders of the Employee Stock Ownership Scheme shall assume their own profits and losses, bear their own risks and have equal entitlement of rights and interests as other investors.

Chapter II Holders of the Employee Stock Ownership Scheme

I. Basis for determination of the Holders

The Company has determined the list of Target Holders of the Employee Stock Ownership Scheme in accordance with the relevant provisions of the Company Law, Securities Law, Guiding Opinions, Guidelines No. 1 and other relevant laws, regulations, regulatory documents and the Articles of Association, and taking into account the actual situation.

The Target Holders of the Employee Stock Ownership Scheme shall be the employees who have entered into a labour contract or an appointment contract with the Company or its subsidiaries under the scope of consolidated financial statements (including branches, wholly and non-wholly owned subsidiaries). Among which, Shareholders holding 5% or more of the Company's Shares shall not participate in the Employee Stock Ownership Scheme.

In the event of any of the following circumstances, employees shall not become the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as an inappropriate candidate by the stock exchanges in the PRC in the most recent 3 years;
- (2) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations in the most recent 3 years;
- (3) causing severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics in the most recent 3 years;
- (4) being deemed by the Board as employees who shall not become the Holders of the Employee Stock Ownership Scheme; or
- (5) any other circumstances as stipulated in relevant laws, regulations or regulatory documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

II. Scope of the Holders

(I) The Holders of the Employee Stock Ownership Scheme shall be:

- (1) the executive Directors and senior management of the Company;
- (2) the core technical personnel and key personnel of the Company; and
- (3) other personnel that the Board considers they are necessary to be incentivised.

(II) Target Holders and specific details of the units of the Employee Stock Ownership Scheme to be subscribed

The total number of employees participating in the Employee Stock Ownership Scheme shall not exceed 2,747. Among which, the total number of the executive Directors and senior management of the Company is 13, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.

The list of Holders of the Employee Stock Ownership Scheme and allocation of the units are set out in the table below:

Name	Position	Maximum number of units to be subscribed and held (million)	Proportion to the total number of units
Chen Jinghe	Chairman	2.2680	0.64%
Zou Laichang	Vice-chairman and president	1.8900	0.53%
Lin Hongfu	Director and standing vice-president	1.5120	0.43%
Lin Hongying	Director and vice-president	1.5120	0.43%
Xie Xionghui	Director and vice-president	1.5120	0.43%
Wu Jianhui	Director and vice-president	1.5120	0.43%
Shen Shaoyang	Vice-president	1.1760	0.33%
Long Yi	Vice-president	1.1760	0.33%
Que Chaoyang	Vice-president	1.1760	0.33%
Wu Honghui	Financial controller	1.1760	0.33%
Zheng Youcheng	Secretary to the Board	1.1760	0.33%
Wang Chun	Vice-president	1.1760	0.33%
Liao Yuanhang	Vice-president	1.1760	0.33%
Other senior and middle-level management, core employees, etc. (2,734 persons)		336.0420	94.80%
	Total	354.4800	100.00%

The Board of the Company can adjust the list of Target Holders and units of subscription based on the actual subscription situation of the employees. The final Holders of the Employee Stock Ownership Scheme and the number of units held by them shall be subject to the number of units corresponding to the actual subscription amount paid by the employees.

III. Verification of the Holders

The Supervisory Committee of the Company shall verify the list of employees who are eligible to participate in the Employee Stock Ownership Scheme, and provide an explanation of the verification results at the shareholders' general meeting.

Chapter III Sources of funds and Shares of the Employee Stock Ownership Scheme

I. Source of funds of the Employee Stock Ownership Scheme

The total amount of funds proposed to be raised under the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds for the Company's employees to participate in the Employee Stock Ownership Scheme shall be derived from their lawful salary, as well as their self-financing funds and funds raised in other lawful and compliant ways, excluding derivative embedded structured products. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company's production and operation.

The Holders shall pay the subscription amount based on the number of units to be subscribed for in full before the Underlying Shares are transferred to the Employee Stock Ownership Scheme. If the Holders fail to pay their subscription amount on time and in full, it shall be deemed as voluntary give-up of their respective subscription rights. The Board of the Company can adjust the list of Target Holders and their number of units of subscription based on the actual subscription situation of employees. The final number and list of the Target Holders and the number of units of the Employee Stock Ownership Scheme to be subscribed for shall be determined based on the actual subscription situation of the employees.

II. Source of Shares of the Employee Stock Ownership Scheme

The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company (the "Underlying Shares").

On 21 October 2022, the Company convened the thirteenth meeting of the seventh term of the Board, at which the proposal in relation to the plan of repurchasing shares through centralised price bidding for employee stock ownership scheme or share incentive was considered and approved. As the A Share price of the Company consistently exceeded the maximum repurchase price set in the repurchase plan during the repurchase period, on 19 October 2023, the Company convened the thirteenth extraordinary meeting in 2023 of the eighth term of the Board, at which the proposal in relation to the extension of implementation period for share repurchase and the adjustment to the maximum repurchase price was considered and approved. The Company extended the repurchase period by 6 months, i.e., the end of the repurchase period was extended from 20 October 2023 to 19 April 2024. As at 7 November 2023, the Company had accumulatively repurchased 42,200,000 A Shares through centralised price bidding, representing 0.16% of the Company's total share capital. The highest repurchase price was RMB12.68 per A Share and the lowest repurchase price was RMB7.89 per A Share. The total amount paid was RMB499,789,882 (excluding transaction expenses). The implementation of the repurchase plan was completed.

During the period from the date of Board resolutions announcement to the transfer date of the repurchased A Shares to the Employee Stock Ownership Scheme through non-trading transfer or other means as permitted under laws and regulations, in case of any conversion of capital reserve into share capital, bonus issue, profit distribution and other ex-right and ex-dividend events of the Company, corresponding adjustments shall be made to the number and price of the Underlying Shares.

The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company's current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all effective employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The number of the Underlying Shares corresponding to the units of the Employee Stock Ownership Scheme held by any individual Holders shall not exceed 1% of the total share capital of the Company. The total number of the Shares held by the Employee Stock Ownership Scheme does not include the Shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own and obtained from stock ownership schemes.

**Chapter IV Purchase price of the Shares,
basis for price determination and explanation on rationality of the price**

I. Purchase price and basis for price determination

Upon the consideration and approval of the Employee Stock Ownership Scheme at the shareholders' general meeting, the Employee Stock Ownership Scheme shall obtain the Company's Shares through non-trading transfer or other means as permitted under laws and regulations, and hold the Company's Shares through the specific securities account for repurchase of the Company. The consideration is RMB8.40 per A Share, which shall not be lower than the higher of:

1. 70% of the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.31 per A Share; and
2. 70% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.40 per A Share;

During the period from the base day for pricing to the transfer date of the Underlying Shares to the Employee Stock Ownership Scheme, in case of any profit distribution, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend events of the Company's Shares, corresponding adjustments shall be made to the abovementioned consideration.

II. Explanation on rationality of the price

The Company has entered into a new development stage and is at a critical development point. It shall accurately grasp the profound global changes, assess the situation and strategically plan its development. The global economy and industry structure are facing profound adjustments, the energy revolution under the backdrop of "dual carbon" will become the most important economic and social issue in the future. The security of strategic mineral supply has become a major concern of global powers. China's mineral exploration and development will enter a new era of opportunity. Although the Company is facing good development opportunities, the competition for talents within the industry is becoming more intense. Building a team of talents is crucial for the Company to grasp the opportunities and develop rapidly.

For the purposes of building a multi-level and multi-gradient team of talents with high-end management and technical talents as the core for the Company, establishing an effective mechanism to attract and retain talents over the long term, thereby creating greater value for the Shareholders, reference has been made for the purchase price of the Employee Stock Ownership Scheme to relevant rules and market practice. Based on the combination of industry development trends and the actual operational situation of the Company, and based on

the principle of matching incentives with restraints, performance appraisal targets have been set at the company level and individual level to ensure the alignment between the long-term interests of employees and the Shareholders, so as to generate proactive and positive impact on the realisation of operational targets of the Company and the interests of all Shareholders. There are no prejudices to the interests of the Company and all Shareholders.

In conclusion, the principle for determination for the price under the Employee Stock Ownership Scheme can meet the Company's actual incentive requirements, further motivate the work enthusiasm and potential of the Company's employees and promote the sustained and stable development of the Company's operating results, which is reasonable and scientific. It aligns with the basic principles of "self-assumption of profit and loss, self-bearing of risks and equality of rights and interests with other investors".

Chapter V Duration period, lock-up period of and appraisal setting under the Employee Stock Ownership Scheme

I. Duration period of the Employee Stock Ownership Scheme

The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon consideration and approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

II. Lock-up period of the Employee Stock Ownership Scheme

The lock-up period of the Underlying Shares obtained by the Employee Stock Ownership Scheme shall be 12 months, commencing from the date on which the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

The Underlying Shares obtained by the Employee Stock Ownership Scheme, the Shares obtained through distribution of bonus issue, conversion of capital reserve into share capital, etc. by the Company and the cash dividend obtained from holding the Company's Shares shall also comply with the abovementioned lock-up arrangement.

III. Appraisal requirements under the Employee Stock Ownership Scheme

The actual number of the Shares under the Employee Stock Ownership Scheme which can be unlocked by the Holders shall be linked to annual performance indicators of the Company and individual performance appraisal results during the lock-up period. The appraisal requirements and the corresponding proportion to be unlocked are as follows:

Appraisal requirements	(1) Return on net assets ratio of the Company for 2024 shall not be lower than 12%; (2) performance appraisal results of the Holders for 2024 shall be grade B or above.	
Individual performance appraisal results	Pass	Fail
Proportion to be unlocked	100%	0%

If the performance appraisal indicators of the Employee Stock Ownership Scheme at the company level have not been satisfied, the Underlying Shares corresponding to the appraisal year shall not be unlocked and shall be retrieved and sold within the duration period in due course after the date of unlock by the Management Committee. The lower of the subscription amount and the sale amount shall be returned to the Holders after sale in due course. If there are profits after returning the amount to the Holders, such profit shall belong to the Company.

If the units to be unlocked corresponding to the appraisal year of the Holders cannot be unlocked due to the reason of individual performance appraisal, the Management Committee shall retrieve such units and return the amount to the Holders based on the lower of the subscription amount and the sale amount. The Management Committee can allocate the units retrieved to designated employees with qualifications to participate in the Employee Stock Ownership Scheme; or sell the Underlying Shares corresponding to such units after the expiry of the lock-up period in due course, and the remaining funds (if any) after the return of the subscription amount shall belong to the Company.

IV. Trading restrictions of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme shall strictly follow the trading rules in the market and follow the relevant regulations regarding the prohibition of buying or selling stocks during the information-sensitive period of the CSRC and the Shanghai Stock Exchange. The Employee Stock Ownership Scheme shall not trade the Company's Shares during the following periods:

1. within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;

2. within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;
3. the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws;
4. other periods as stipulated by the CSRC and the Shanghai Stock Exchange; and
5. other periods which trading of the Company's Shares is prohibited as stipulated in laws and regulations.

V. Amendments to the Employee Stock Ownership Scheme

Within the duration period of the Employee Stock Ownership Scheme, any amendments to the Employee Stock Ownership Scheme shall only be implemented with the consent of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval.

VI. Termination of the Employee Stock Ownership Scheme

1. The Employee Stock Ownership Scheme shall be automatically terminated if it is not effectively extended after expiry.
2. After the expiry of the lock-up period of the Employee Stock Ownership Scheme, the Employee Stock Ownership Scheme shall be subject to early termination if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents and upon consideration and approval at the Holders' Meeting.
3. In addition to the abovementioned automatic termination and early termination, the Employee Stock Ownership Scheme can be terminated upon the approval of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board for consideration and approval.

Chapter VI Management model for the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme shall be managed by the Company. Its internal supreme management authority shall be the Holders' Meeting. The Holders' Meeting shall be constituted by the entirety of the Holders of the Employee Stock Ownership Scheme. The Holders' Meeting shall elect the Management Committee, and shall authorise the Management Committee as a management body to be responsible for the day-to-day management affairs of the Employee Stock Ownership Scheme (including but not limited to reducing the number of the Company's Shares held by the Employee Stock Ownership Scheme after the expiry of the lock-up period and distribution of income and cash assets to the Holders on behalf of the Employee Stock Ownership Scheme), exercising shareholder rights on behalf of the Employee Stock Ownership Scheme, etc. The Board shall be responsible for compiling and amending the Draft of the Employee Stock Ownership Scheme and shall handle other relevant matters regarding the Employee Stock Ownership Scheme within the scope authorised at the shareholders' general meeting.

I. The Holders

The Target Holders who make actual payments to subscribe for units of the Employee Stock Ownership Scheme shall become the Holders of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement of lawful rights and interests.

(I) Rights of the Holders are as follows:

1. Be entitled to the rights and interests in proportion to the units of the Employee Stock Ownership Scheme held under their names;
2. Receive profit distribution and/or dividends (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the Shares;
3. Attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Administrative Policy; and
4. Other rights stipulated in laws, administrative regulations and departmental rules.

(II) Obligations of the Holders are as follows:

1. Within the duration period of the Employee Stock Ownership Scheme, all units under the Holders' names are deemed to be held by the Holders. The Holders are prohibited from holding any units on behalf of other persons;

2. Comply with the plan of the Employee Stock Ownership Scheme, fulfill all undertakings made for participating in the Employee Stock Ownership Scheme, and pay the subscription amount as committed in full within the agreed period;
3. Bear the relevant expenses of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme held under their names;
4. Bear the contingent risks of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme held under their names;
5. Bear the statutory taxes and fees for share transactions associated with buying and selling the Shares under the Employee Stock Ownership Scheme, and other taxes incurred for participating in and receiving income derived from the Employee Stock Ownership Scheme pursuant to the national and other relevant laws and regulations, in proportion to the number of the Employee Stock Ownership Scheme held under their names; and
6. Other obligations stipulated in laws, administrative regulations, departmental rules and the Administrative Policy.

II. The Holders' Meeting

- (I) The Holders' Meeting is the internal supreme management authority of the Employee Stock Ownership Scheme. All the Holders are entitled to attend and vote at the Holders' Meetings in person or by delegating another Holder as their proxy. The Holders shall be responsible for the travelling and accommodation expenses for themselves and their proxy for attending the Holders' Meetings.
- (II) The following items shall be considered at the Holders' Meetings:
 1. Appointment and removal of any Management Committee members;
 2. Amendment to, termination and extension of the duration period of the Employee Stock Ownership Scheme;
 3. Whether to participate in the fund raising activities of the Company, such as rights issue, additional issuance of Shares, convertible bond issuance, etc. within the duration period of the Employee Stock Ownership Scheme;
 4. Authorisation to the Management Committee to supervise the daily management of the Employee Stock Ownership Scheme;

5. Authorisation to the Management Committee to exercise the corresponding shareholder rights of the Shares held by the Employee Stock Ownership Scheme;
 6. Authorisation to the Management Committee to be responsible for the liquidation and asset distribution of the Employee Stock Ownership Scheme;
 7. Authorisation to the Management Committee to determine matters in relation to disqualification of the Holders pursuant to relevant provisions of the Employee Stock Ownership Scheme, and the treatment of the units held by the disqualified Holders, including changes in units held by the Holders;
 8. Amendment to the Administrative Policy; and
 9. Other matters that are considered as necessary by the Management Committee for consideration at the Holders' Meetings.
- (III) The first Holders' Meeting shall be convened and presided over by the chairman of the Company, at which Management Committee members shall be elected. Subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the officer of the Management Committee. When the officer of the Management Committee is unable to perform his duties, he shall delegate a Management Committee member to preside over the meetings.
- (IV) To convene a Holders' Meeting, the Management Committee shall send out a written notice of meeting 5 days prior to the meeting to notify all Holders by direct delivery, post, facsimile, electronic mail, announcement on the website, poster at the workplace or other means. A written notice of meeting shall at least include the following details:
1. Time and venue of the meeting;
 2. Way of convening the meeting;
 3. Matters to be considered at the meeting;
 4. Convener and chairman of the meeting and the proposer(s) of extraordinary meeting and his (their) written proposal(s);
 5. Meeting materials required for voting;
 6. Requirements for the Holders to attend the meeting in person or delegate another Holder to attend the meeting on their behalf;
 7. Contact persons and contact information; and
 8. Date of issuance of the notice.

In case of emergencies, a Holders' Meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above points 1, 2 and 3 and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

In principle, the Holders' Meetings shall be held on-site and safe, economical and convenient methods, such as video, telephone, internet and other means shall be adopted to facilitate Holders' participation in the Holders' Meetings. Holders who participate in the Holders' Meetings through the above methods shall be deemed as present.

(V) Voting procedures of the Holders' Meetings

1. After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairman may also invite Holders attending the meeting to vote after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot.
2. Each unit of the Employee Stock Ownership Scheme held by the Holders is entitled to one vote.
3. The Holders may choose to vote for, against or abstain in any resolutions. The Holders attending the meeting shall select one of the aforesaid voting options, and any votes with no option or more than one option indicated will be deemed as abstention. Any Holders who leave in the course of the meeting without indicating any voting options shall be deemed as abstained from voting. Any vote cast by the Holders after the voting period lapses shall not be counted.
4. The chairman of the meeting shall announce the on-site voting results at the spot of the meeting. A proposed resolution shall only be deemed as pass and become a valid resolution after being approved by more than half of the number of units held by the Holders attending the meeting, unless the consent of more than two-thirds of the number of units is required by the Employee Stock Ownership Scheme and the Administrative Policy.
5. In the event that a resolution of the Holders' Meeting must be submitted to the Board and shareholders' general meeting of the Company for consideration, it shall be submitted to the Board and shareholders' general meeting of the Company for consideration in accordance with the provisions of the Articles of Association.
6. The chairman of the meeting shall arrange for record taking of the Holders' Meeting.

- (VI) Employees holding over 10% of the units of the Employee Stock Ownership Scheme in aggregate may submit an extraordinary proposal to the Holders' Meeting; and the extraordinary proposal shall be submitted to the Management Committee 3 days prior to the convention of the Holders' Meeting.

III. Management Committee

A Management Committee shall be established for the Employee Stock Ownership Scheme, which shall report to the Employee Stock Ownership Scheme and serve as a daily supervisory and administrative institution to manage the Employee Stock Ownership Scheme.

(I) Election and appointment procedures of the Management Committee

The Management Committee comprises 9 members, with 1 officer and 3 deputy officers. All Management Committee members shall be elected by the Holders' Meeting. The officer and deputy officers of the Management Committee shall be elected by more than half of the Management Committee members. The term of office of the Management Committee members shall be the same as the duration period of the Employee Stock Ownership Scheme.

(II) Obligations of the Management Committee

The Management Committee members have the following fiduciary duties to the Employee Stock Ownership Scheme in accordance with laws, administrative regulations and the Administrative Policy:

1. Not to take advantage of their positions and authorities to accept bribes or other illegal income; not to occupy any properties of the Employee Stock Ownership Scheme;
2. Not to misappropriate funds of the Employee Stock Ownership Scheme;
3. Not to open any accounts under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Scheme as the deposits without the consent of the Holders' Meeting;
4. Not to breach the regulations of the Administrative Policy to lend the funds of the Employee Stock Ownership Scheme to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Scheme without the consent of the Holders' Meeting;
5. Not to take advantage of their positions and authorities to jeopardise the interests of the Employee Stock Ownership Scheme;
6. Not to disclose business secrets related to the Employee Stock Ownership Scheme without authorisation; and

7. Discharge other obligations stipulated in laws, administrative regulations, departmental rules and the Administrative Policy.

Any Management Committee members who breach the fiduciary duties and cause losses to the Employee Stock Ownership Scheme shall be liable for compensations.

(III) The Management Committee shall exercise the following duties and authorities:

1. Convene Holders' Meetings in accordance with the Administrative Policy and execute resolutions passed at the Holders' Meetings;
2. Carry out daily administration and supervision of the Employee Stock Ownership Scheme on behalf of all Holders;
3. Exercise shareholder rights of the Shares held by the Employee Stock Ownership Scheme on behalf of all Holders;
4. Be responsible for the coordination between the Board, the Supervisory Committee and shareholders' general meeting of the Company;
5. Manage the allocation of benefits and interests of the Employee Stock Ownership Scheme;
6. Determine the attribution of units of the Employee Stock Ownership Scheme which have been given up for subscription or mandatorily transferred;
7. Register for the inheritance of the units of the Employee Stock Ownership Scheme;
8. Be responsible for Share reduction arrangement of the Employee Stock Ownership Scheme; and
9. Other responsibilities as authorised by the Holders' Meeting.

(IV) The officer of the Management Committee shall exercise the following duties and authorities:

1. Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;
2. Supervise and inspect the execution of resolutions passed at the Holders' Meetings and the Management Committee meetings; and
3. Other duties and authorities as delegated by the Management Committee.

(V) Convention of, holding and voting at the Management Committee meetings

1. The Management Committee meetings shall be convened occasionally by the officer of the Management Committee. Notice of meeting shall be sent out to all Management Committee members 3 days prior to the convention of the meetings. In principle, Management Committee meetings shall be held on-site. On the basis that all members have the opportunity to fully express their opinions, and with the consent of the convener, the meeting may also be convened through video, telephone, facsimile, electronic mail or other means. The Management Committee meetings may also be convened simultaneously through on-site and other means.
2. If proposed by the Holders with over 10% of units in aggregate or over one-third of the Management Committee members, an extraordinary Management Committee meeting can be convened. The officer of the Management Committee shall convene and preside over a Management Committee meeting within 5 days upon receiving the proposal.
3. The Management Committee shall send out the notice of meeting to all Management Committee members 3 days prior to the convention of the extraordinary Management Committee meeting by notification in person, telephone, electronic mail, facsimile, SMS messages or other means.
4. A notice of the Management Committee meeting shall include the following items:
 - (1) Time and venue of the meeting and the convention method;
 - (2) Reasons for convening the meeting and topics for discussion; and
 - (3) Date of issuing the notice.

In case of emergencies, a Management Committee meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above point (1) and an explanation on the emergency and necessity to convene a Management Committee meeting as soon as possible.

5. A Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall become effective only upon obtaining approval from more than half of all Management Committee members. Management Committee meetings shall implement a one person, one vote system.

6. Voting for resolutions of the Management Committee meetings can be conducted by way of open ballot, or by raising hands, electronic mail or other lawful methods. The resolutions passed shall be signed by the Management Committee members.
7. Management Committee members shall attend the Management Committee meetings in person; any member who cannot attend a meeting in person shall delegate another Management Committee member as his proxy in writing to attend the meeting on his behalf. A power of attorney shall be signed by the authoriser with the name of the proxy, and the matters, scope and validity period of the authorisation shall be specified. The Management Committee member attending the meeting on behalf of the authoriser shall exercise the rights of a Management Committee member within the scope of authorisation. If a Management Committee member does not attend or delegate another member as his proxy to attend a Management Committee meeting, he will be deemed as abstained from voting at such meeting.
8. The Management Committee shall take minutes of the matters discussed and decisions made in the meetings, and all Management Committee members attending the meetings shall sign on the minutes.
9. Minutes of the Management Committee meetings shall include the following items:
 - (1) Time, venue and the name of convener of the meeting;
 - (2) Attendance of the Management Committee members;
 - (3) The agenda; and
 - (4) Way of voting for each resolution and the respective voting results (stating clearly the number of votes for, against and abstain).
10. Resolutions resolved at the Management Committee meetings and the minutes shall be submitted to the Board for record retention.

Chapter VII Disposal policy of the rights and interests of the Shares held by the Employee Stock Ownership Scheme

I. Asset composition of the Employee Stock Ownership Scheme

- (I) Corresponding rights and interests in the Company's Shares: the Holders who participate in the Employee Stock Ownership Scheme shall subscribe for the Employee Stock Ownership Scheme with funds and be entitled to the rights and interests corresponding to holding the Company's Shares;
- (II) Cash deposits and the interests generated therefrom; and
- (III) Assets arising from other investments in the scheme.

The assets under the Employee Stock Ownership Scheme are independent from the assets of the Company. The Company shall not include the assets of the Employee Stock Ownership Scheme into its own assets. The properties and profits generated from the management, utilisation, etc. of the Employee Stock Ownership Scheme shall be included into the assets of the Employee Stock Ownership Scheme.

II. Distribution of rights and interests of the Employee Stock Ownership Scheme

- (I) No income distribution shall be carried out during the lock-up period in principle.
- (II) In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company during the lock-up period, the new Shares obtained shall be locked up, and shall not be disposed of in the secondary market or transferred by other means. Such Shares shall be locked up for the same period as the corresponding Shares. When the Company implements profit distribution, the cash dividends derived from the Shares of the Company held by the Employee Stock Ownership Scheme can be distributed within the duration period of the Employee Stock Ownership Scheme.
- (III) Upon the expiry of the lock-up period, the Management Committee of the Employee Stock Ownership Scheme shall determine the method of disposal of the Underlying Shares, i.e., the Management Committee gradually realises the assets of the Employee Stock Ownership Scheme and distributes them to the Holders based on their performance appraisal results; or the Management Committee submits an application to the securities registration and settlement institution to transfer the Underlying Shares to the personal accounts of the Holders based on their performance appraisal results in accordance with relevant laws and regulations, and the Holders can handle the Shares on their own discretion. If transfer to personal accounts is restricted by laws and regulations, the Management Committee shall realise such portion of assets on a uniform basis and distribute them to the Holders based on their performance appraisal results.

III. Disposal policy of units of the Employee Stock Ownership Scheme held by the employees

(I) Within the duration period of the Employee Stock Ownership Scheme, unless otherwise specified by laws, regulations, rules or approved by the Holders' Meeting, the Holders shall not transfer units of the Employee Stock Ownership Scheme they hold, and shall not use such units as collateral, pledge, guarantee, or for debt repayment. Apart from the distribution and liquidation procedures specified in the Employee Stock Ownership Scheme, the Holders shall not request any distributions of assets related to the Employee Stock Ownership Scheme.

(II) Within the duration period of the Employee Stock Ownership Scheme, no changes shall be made to the rights and interests of the Holders in the event of any of the following situations:

1. Change of job position

Within the duration period, no changes shall be made to the rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed.

2. Loss of working capacity

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of loss of working capacity.

3. Retirement

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event that the Holders has reached the statutory retirement age and retired.

4. Death

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of death. The Holders' rights and interests shall be inherited by their lawful inheritors, who shall not be subject to the constraints of qualifications for participation in the Employee Stock Ownership Scheme.

5. Other situations determined by the Management Committee.

(III) Within the duration period, if a Holder is deemed as no longer qualified for participating in the Employee Stock Ownership Scheme by the Management Committee due to any situations listed below, the Management Committee has the right to disqualify such Holder from participating in the Employee Stock Ownership Scheme, the Underlying Shares corresponding to his unlocked units shall be sold and liquidated in due course, and the earnings shall be allocated by the Management Committee. The Underlying Shares corresponding to the units which have not been unlocked shall be retrieved by the Management Committee, and an amount equals to the sum of original subscription amount plus the interest income under the deposit rate of the People's Bank of China for the same period shall be returned to the individual. The Management Committee can transfer the units of the Employee Stock Ownership Scheme retrieved to designated qualified transferees, and the consideration for the transfer shall be equal to the sum of original subscription amount of the unlocked units paid by such Holder plus the interest income under the deposit rate of the People's Bank of China for the same period. If the transferees cannot be determined, the Underlying Shares corresponding to such units shall be sold by the Management Committee within 12 months from the date on which the Underlying Shares were transferred to the Employee Stock Ownership Scheme in due course, and the gains shall belong to the Company:

1. Either a Holder or the Company (including its branches and subsidiaries) unilaterally proposes to terminate, or both parties mutually terminate the labour contract, the labour contract expires or other circumstances which terminate the labour contract;
2. Where a Holder is subject to criminal liability or resigns without permission (without the consent, approval of or mutual agreement with the Company), the date of disqualifying the Holder from participating in the Employee Stock Ownership Scheme (the "Disqualification Date") shall be the date on which the Holder is held criminally liable or resigns without permission;
3. Where a Holder violates the Company's prohibitions and causes substantial negative consequence to the Company or is involved in other actions as determined by the Company as severe disciplinary violations, the Disqualification Date shall be the date on which the Holder is determined by the Company as having committed severe disciplinary violation;
4. Where a Holder violates the regulations and policies of the Company, and the violation is deemed severe, the Disqualification Date shall be the date on which the Holder violates the regulations and policies of the Company;
5. Where the labour contract of a Holder is terminated by the Company or its subsidiary due to violation of laws, administrative rules or the regulations and policies of the Company, the Disqualification Date shall be the date on which the labour contract of the Holder is terminated;

6. Where a Holder makes substantial mistake that disqualifies him from participating in the Employee Stock Ownership Scheme, the Disqualification Date shall be the date on which he is disqualified from participating in the Employee Stock Ownership Scheme.

If it is difficult to carry out the disposal according to the aforementioned methods due to the provisions of relevant laws, regulations, regulatory documents or regulations and policies of the Company, the Management Committee shall determine a reasonable method of disposal in conjunction with those provisions. The Holders shall comply with and fulfill their corresponding obligations in accordance with the disposal method determined by the Management Committee:

- (IV) Upon the expiration of the lock-up period and within the duration period of the Employee Stock Ownership Scheme, the Company's Shares held by the Employee Stock Ownership Scheme shall be in principle reduced on a uniform basis or disposed of by other lawful means by the Management Committee. The Management Committee shall distribute the assets of the Employee Stock Ownership Scheme to the Holders according to the portion of units held in accordance with the relevant provisions of the Employee Stock Ownership Scheme. In exceptional circumstances, a Holder may submit an application to the Management Committee to request a separate reduction of the Company's Shares corresponding to the number of units he holds and exit from the Employee Stock Ownership Scheme. Upon approval by the Management Committee, the Management Committee shall reduce the Company's Shares corresponding to the rights and interests held by such Holder in the secondary market in due course according to the actual situation, and distribute the proceeds obtained after deducting all costs and expenses to the Holder pursuant to the laws. Such Holder shall exit the Employee Stock Ownership Scheme automatically at the same time, and shall be no longer entitled to any other rights and interests under the Employee Stock Ownership Scheme. Prior to receiving the distributable funds, the Holder shall comply with the Management Committee's requirements to provide corresponding written confirmation documents. After the distribution is completed, any relevant outstanding taxes or fees shall be borne by the Holder.
- (V) For any other matters not specified, the disposal method of the units of the Employee Stock Ownership Scheme held by the Holders shall be determined through negotiation between the Company and the Management Committee.

IV. Disposal policy after the termination of the Employee Stock Ownership Scheme

After the expiry of the lock-up period, the Employee Stock Ownership Scheme shall be subject to early termination if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents.

Before the expiry of the duration period of the Employee Stock Ownership Scheme, if consent is given by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval, the duration period of the Employee Stock Ownership Scheme can be extended.

When the duration period of the Employee Stock Ownership Scheme expires or if the Employee Stock Ownership Scheme is early terminated, the Holders' Meeting shall authorise the Management Committee to liquidate the scheme after deduction of the relevant taxes, fees and other expenses pursuant to laws within 15 working days from the expiry date or termination date, and arrange for allocation according to the proportion of units held by the Holders.

Chapter VIII Rights and obligations of the Company

I. Rights of the Company

- (I) If any Holders cause severe impairment to the interests or reputation of the Company for violating laws and professional ethics, leaking business secrets, negligence of duty or malfeasance, etc., the Board may disqualify such persons from the Employee Stock Ownership Scheme and dispose of their corresponding units of the Employee Stock Ownership Scheme according to the provisions stipulated in item (III) of paragraph III in Chapter VII in the Employee Stock Ownership Scheme.
- (II) To withhold and remit relevant tax and fees for the Holders in accordance with the provisions of the national tax laws and regulations.
- (III) Other rights conferred by laws, administrative rules and the Employee Stock Ownership Scheme.

II. Obligations of the Company

- (I) To fulfill the obligations of information disclosure for the Employee Stock Ownership Scheme in an authentic, accurate, complete and timely manner.
- (II) To open and close relevant accounts for the Employee Stock Ownership Scheme in accordance with the relevant laws and regulations.
- (III) Other obligations as stipulated in laws, administrative rules and the Employee Stock Ownership Scheme.

Chapter IX Ways of participation in the Company's fund raising by the Employee Stock Ownership Scheme

When the Company raises funds by right issue, issuance of new Shares, convertible bond issuance, etc. within the duration period of the Employee Stock Ownership Scheme, the Management Committee shall discuss whether the Employee Stock Ownership Scheme shall participate and the funding solution, and table such matter to the Holders' Meeting for consideration.

Chapter X Specific items to be authorised to the Board at the shareholders' general meeting

After the Employee Stock Ownership Scheme is considered and approved at the Shareholders' General Meeting, the Board shall be authorised at the shareholder's general meeting to handle the specific matters related to the Employee Stock Ownership Scheme. The specific authorised matters are as follows:

- (I) To authorise the Board to implement the Employee Stock Ownership Scheme;
- (II) To authorise the Board to amend and terminate the Employee Stock Ownership Scheme, including but not limited to disqualification of Holders, adding Holders, change in the number of units held by the Holders, early termination of the Employee Stock Ownership Scheme and other matters;
- (III) To authorise the Board to decide the extension or early termination of the duration period which is subject to the Board's approval according to the provision of the Draft of the Employee Stock Ownership Scheme;
- (IV) To authorise the Board to handle all matters related to the lock-up and unlock of the Shares purchased under the Employee Stock Ownership Scheme;
- (V) To authorise the Board to make corresponding amendments to the Employee Stock Ownership Scheme according to the newly promulgated laws, regulations, regulatory documents or policies in case of any changes in the laws, regulations, regulatory documents or policies within the duration period after the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting;
- (VI) To authorise the Board to nominate candidates for the Management Committee members; and
- (VII) To authorise the Board to handle any other necessary matters related to the Employee Stock Ownership Scheme, excluding any rights explicitly required to be exercised by the shareholders' general meeting as stipulated in relevant laws, regulations, regulatory documents or the Articles of Association.

The aforementioned authorisation shall become effective from the date of which it is approved at the shareholders' general meeting of the Company, and shall remain effective within the duration period of the Employee Stock Ownership Scheme.

Chapter XI Other important matters

I. Procedures for implementation of the Employee Stock Ownership Scheme:

1. The Board shall compile the Draft of the Employee Stock Ownership Scheme pursuant to the suggestions of the Nomination and Remuneration Committee, for which the Board shall seek the employees' opinions through the workers' representatives meetings or other democratic procedures.
2. The Board shall consider the Draft of the Employee Stock Ownership Scheme. Independent Directors shall issue independent opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
3. The Supervisory Committee shall issue opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
4. Within two trading days after the Board approves the Employee Stock Ownership Scheme, the Company shall disclose the relevant documents such as the Board resolutions, the whole Draft of the Employee Stock Ownership Scheme and its summary, independent Directors' opinions, Supervisory Committee's opinions, etc.
5. The Company shall engage a law firm to issue legal opinion for the Employee Stock Ownership Scheme regarding its compliance with laws and regulations, whether the necessary procedures of decision-making and approval have been carried out and whether the information disclosure obligations have been discharged in accordance with laws, regulations and relevant provisions.
6. The Company shall send out a notice of shareholders' general meeting for the consideration of the Employee Stock Ownership Scheme and announce the legal opinion before convening the shareholders' general meeting.
7. A shareholders' general meeting shall be convened to consider the Employee Stock Ownership Scheme, the Shareholders who have a connected relationship with the Employee Stock Ownership Scheme shall abstain from voting. Voting at the shareholders' general meeting shall be taken by poll both on-site and via internet.

8. The implementation of the Employee Stock Ownership Scheme is subject to the review and approval of the SASAC of Longyan City and the consideration and approval at the shareholders' general meeting of the Company.
 9. The Company shall convene a Holders' Meeting to consider and approve the Administrative Policy, elect the Management Committee members, clarify specific matters relating to the implementation of the Employee Stock Ownership Scheme, and disclose the outcomes and relevant resolutions of the meeting in a timely manner.
 10. The Company shall discharge the obligations of information disclosure regarding the implementation of the Employee Stock Ownership Scheme pursuant to the requirements of the CSRC and the Shanghai Stock Exchange.
 11. Other procedures required to be followed as regulated by the CSRC, Shanghai Stock Exchange, departments for state-owned assets supervision and administration and other relevant regulatory authorities.
- II.** The consideration and approval of the Employee Stock Ownership Scheme of the Board and the shareholders' general meeting do not imply that the Holders have the right to continue their services in the Company or its subsidiaries, and do not constitute any commitments made by the Company or its subsidiaries regarding the employment term of employees. The employment relationships between the Company or its subsidiaries and the Holders shall remain the same as stipulated in the labour contracts or appointment contracts entered into between the Company or its subsidiaries and the Holders.
- III.** The financial, accounting and tax issues relating to the implementation of the Employee Stock Ownership Scheme of the Company shall be executed according to the relevant financial policies, accounting standards and tax rules.
- IV.** The Employee Stock Ownership Scheme shall be interpreted by the Board of the Company.

Zijin Mining Group Co., Ltd.*
Board of Directors
15 November 2023

** The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this text shall prevail.