

# **COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.**

## **IMPLEMENTING RULES OF THE RISK CONTROL COMMITTEE OF THE BOARD**

(As approved at the eleventh meeting of the board of directors of the Company of 2019 held on 30 October 2019)

### **Chapter I General Provisions**

- Article 1** In order to ensure the sustainable, standardized and healthy development of COSCO SHIPPING Energy Transportation Co., Ltd. (hereinafter referred to as the “Company”), to standardize the procedures for risk control, to improve the Company’s corporate governance structure, and to facilitate rational decision-making by the board (hereinafter referred to as the “Board”) of directors (hereinafter referred to as the “Directors”) of the Company as well as to improve the decision-making competence of the Board, the Company sets up the Risk Control Committee of the Board and formulates these Implementing Rules in accordance with the Company Law of the People’s Republic of China, the Guidelines for Governance Standards of the Listed Companies, the listing rules of the stock exchanges of the place where the shares of the Company are listed (including the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited), the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other applicable rules and regulations.
- Article 2** The Risk Control Committee of the Board is a body specifically set up by the Board of the Company and comprises of Directors, mainly responsible for identifying, managing, supervising and controlling various risks of the Company, and providing risk analysis and decision support to the Board.
- Article 3** “Directors” in these Implementing Rules refer to members of the Board.

### **Chapter II Composition**

- Article 4** The Risk Control Committee of the Board shall comprise three Directors, two of which shall be independent non-executive Directors. The members of the Risk Control Committee of the Board shall be nominated by the chairman of the Board, more than one half of the independent non-executive Directors, or one third of all Directors, and they shall be elected and removed by a majority of all Directors.

**Article 5** The Risk Control Committee shall have one chairman, who shall be acted by a Director member and shall be responsible for presiding over the work of the Risk Control Committee. The chairman of the Risk Control Committee shall be nominated by the chairman of the Board, and elected and removed by a majority of the members of the Risk Control Committee, and shall report to the Board for approval.

**Article 6** The term of office of members of the Risk Control Committee shall be in congruence with that of the Directors. Members may stand for re-election upon expiry of the term. If any member no longer maintains the position as a Director during his/her term of office, he/she shall automatically disqualify as a member, and the vacancy shall be filled by the Board in accordance with Articles 4 to 5 above.

**Article 7** According to the arrangement of the Company, the legal affairs and risk management department is responsible for the daily liaison and the implementation of proposals of the Risk Control Committee, and the Board/Managing Director's Office is responsible for meeting organization and other work.

### **Chapter III Terms of Reference**

**Article 8** The major terms of reference of the Risk Control Committee are:

- (I) to consider risk control strategies and major risk control solutions;
- (II) to review the effectiveness of the Company's risk management;
- (III) to consider major decisions and risk assessment report of major projects;
- (IV) to guide and promote the legal construction of the Company, and supervise the legal operation of the Company by the management;
- (V) other risk control matters authorized by the Board.

**Article 9** The Risk Control Committee shall be responsible for the Board. The Committee's opinions or resolutions on the proposals shall be submitted to the Board.

### **Chapter IV Working Procedures**

**Article 10** In accordance with the applicable laws and regulations and the Articles of Association, and in light of the Company's actual circumstances, the Risk Control Committee shall study the major risks and solutions of the Company, and prepare written proposals for submission to and adoption by the Board and execute the resolutions accordingly.

**Article 11** Specific working procedures:

- (I) The legal affairs and risk management department shall take charge of the preparatory work of meeting of the Risk Control Committee, and collect and provide the following information: the Company's regulations governing risk control; risk analysis and assessment of major decisions, major projects and etc.; other related information.
- (II) The Risk Control Committee shall review relevant information, and submit opinions or resolutions to the Board for consideration.

### **Chapter V Procedural Rules**

**Article 12** The Risk Control Committee shall hold at least one meeting annually as required, and may hold unscheduled meetings. Any member of the Committee, the chairman of the Board or the general manager may convene meetings of the Committee. The meetings shall be chaired by the chairman of the Risk Control Committee. If the chairman of the Committee cannot attend the meeting, he/she shall designate another member of the Committee to chair the meeting or he/she shall convene the meeting in written form.

**Article 13** The Board shall inform each member of the Committee and attendees the time, location, agenda and materials of the meeting five business days prior to such meeting.

**Article 14** The meeting shall not be held unless attended by more than half of the members. The members shall attend the meeting in person or by telephone conference or by any other means of electronic telecommunication. If a member cannot attend the meeting, he/she may designate another member of the Risk Control Committee to attend the meeting in a written authorization with clear scope of authorization. Any resolution of a meeting shall require the affirmative votes of half or more of all members, with each member having one vote.

**Article 15** The meeting shall vote by a show of hands; a meeting held in written form shall vote by means of telecommunication.

**Article 16** The Directors, supervisors, senior management of the Company and other personnel who are deemed necessary to attend the meetings by the Risk Control Committee may be invited to attend the meetings as required.

**Article 17** The procedures of the meeting, the ways to vote, and the approved resolutions shall conform to the applicable laws, regulations, the Article of Association and the requirements of these Implementing Rules.

**Article 18** The approved resolutions and the voting results of the meetings shall be submitted to the Board in written form and be reported at the meeting of the Board of Directors.

**Article 19** Members and personnel attending the meeting shall maintain the confidentiality of information related to such meeting. Any disclosure of relevant information without the prior written permission of the Risk Control Committee is strictly prohibited.

### **Chapter VI Supplementary Provisions**

**Article 20** A complete written minutes shall be recorded for the meeting and be kept at the Company's Board/Managing Director's Office after being signed by the chairman of the Risk Control Committee. The considerations and decisions reached at the meeting shall be recorded in the minutes, including any doubts or objections raised by the Directors.

**Article 21** The Board shall properly maintain the minutes of meetings of the Risk Control Committee so that they are available for review to all members of the Board at any time. The minutes shall be retained for 5 years.

**Article 22** The Risk Control Committee shall report to the Board at regular Board meetings about its fulfillment of duties as outlined in the Corporate Governance Code.

**Article 23** Any matters not covered in these Implementing Rules shall be subject to relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association. If these Implementing Rules are inconsistent with the laws and regulations issued by the State in the future, the listing rules of the place where the shares of the Company are listed or the Articles of Association after being revised by legal procedures, it shall be implemented in accordance with the provisions of relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and shall be revised immediately and submitted to the Board for consideration and approval.

**Article 24** The power of interpretation of these rules shall be vested to the Board of the Company.

**Article 25** These Implementing Rules shall become effective and implemented on the date when approved by the Board.