



(Stock Code: 1385)

Implementation Rules for the Environmental, Social and Governance Committee

Chapter 1 General Provisions

- Article 1 In order to assure the sustainable, regulated and healthy development of Shanghai Fudan Microelectronics Group Company Limited (the “Company”), further improve the structure of corporate governance, develop and implement the environmental, social and governance work of the Company and its subsidiaries (the “Group”), the Company has established the environmental, social and governance (the “ESG”) committee (the “ESG Committee”) under the board of directors (the “Board”) and has formulated these Rules in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies in China, the Articles, the Rules Governing the Listing on the Sci-Tech Innovation Board of Shanghai Stock Exchange (the “SIB Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “SEHK Listing Rules”) and other relevant regulations.

Chapter 2 Composition

- Article 2 The ESG Committee shall comprise three to five directors, one of whom shall be independent non-executive director.
- Article 3 Members of the ESG Committee shall be nominated by the chairman of the Board, more than one-half of the independent non-executive directors or more than one-third of all directors. The election and removal of members shall be passed by a majority vote of the members of the Board.
- Article 4 The ESG Committee shall have one chairman (convener), who shall be responsible for presiding over the work of the ESG Committee. The chairman of the committee shall be elected and removed by a majority vote of the members of the Board.
- Article 5 The ESG Committee shall have the same term of office as the Board. The term of office of members is renewable upon re-election. During which if members no longer act as directors of the Company, they shall automatically lose their office as members from the date of resignation. Members may apply to the Board for resignation in writing prior to expiry of the term of office. The Board shall, after such members have lost their office or the resignation of such members has been approved, fill the vacancies in accordance with relevant provisions of these Rules.
- Article 6 The ESG Committee may establish a working group as an organ to fully implement the ESG strategy and related work.
- The ESG Committee may have one secretary to assist the officer of the ESG Committee in its daily work.

Chapter 3 Duties and Powers

- Article 7 The main duties and powers of the ESG Committee are:
- I. Formulation of ESG vision, objectives, strategies and structure

- (i) to develop and approve the Group's ESG vision, objectives, strategies and structure, and make recommendations to the Board on relevant ESG work; and
- (ii) to identify ESG related issues that have a significant impact on the Group's operations and/or the interests of other key stakeholders.

II. Review the implementation of ESG vision, strategy and structure

- (i) to review the actions and achievements of the Group's ESG based on appropriate standards, formulate assessment targets and advise on the actions to be taken to improve performance;
- (ii) to monitor the channels and means of communication with the Group's stakeholders and ensure that relevant policies are in place to effectively promote the relationship between the Group and its stakeholders and protect the Group's reputation; and
- (iii) to review key ESG trends and related risks and opportunities, and assess the adequacy and effectiveness of the Group's ESG structure accordingly, and, where necessary, adopt and update the Group's ESG policies to ensure such policies are up to date and in compliance with applicable laws and regulations, regulatory requirements and international standards.

III. Others

- (i) to review the ESG annual report and recommend specific actions or decisions for the consideration of the Board in order to maintain the integrity of the ESG report; and
- (ii) to ensure that a ESG Report prepared by the Board in accordance with the SEHK Listing Rules, the Corporate Governance Code (set out in Appendix 14 to the SEHK Listing Rules) and the Environmental, Social and Governance Reporting Guide (set out in Appendix 27 to the SEHK Listing Rules) is included in the Company's annual report or published separately.

Chapter 4 Decision-making Procedures

- Article 8 The working group shall be responsible for undertaking proper preparatory work for decision making by the ESG Committee, and providing relevant written information of the Group.
- Article 9 The ESG Committee is accountable to the Board and its proposals and reports shall be submitted to the Board for consideration, decision and approval.

Chapter 5 Rules of Procedures

- Article 10 Meetings of the ESG Committee shall include regular meetings and interim meetings. Regular meetings shall be convened at least once a year, whereas interim meetings shall be convened upon proposal by the chairman of the committee or more than one-half of the members.
- Article 11 Notice of meetings of the ESG Committee shall be made to all members in three days prior to the meeting. The meeting shall be presided over by the chairman of the committee and the chairman, if unable to attend, may appoint another independent non-executive director to preside over the meeting.

- Article 12 Meetings of the ESG Committee shall be held by more than two-thirds of the members attending the meeting in person. Each member has one voting right. Resolutions adopted at the meeting shall be passed by more than one-half of all members (including members not present at the meeting).
- Article 13 The ESG Committee may vote on a show of hands or on a poll at the meetings. Meetings may be convened in the form of communications over the resolutions, provided that the members may fully express their opinions.
- Article 14 The secretary to the ESG Committee and the working group may sit in on the meetings of the committee. The committee may invite directors, supervisors, the chief financial officer and relevant senior management of the Company who are not members to sit in on the meetings if it considers necessary, provided that those who are not members do not have voting rights over the resolutions.
- Article 15 The ESG Committee should be provided with sufficient resources (including the resources for seeking independent legal and professional advice) to perform its duties. Relevant departments of the Company shall give cooperation and the expenses incurred shall be borne by the Company.
- Article 16 The procedures for convening the meeting, means of voting and resolutions passed at the meetings of the ESG Committee shall comply with relevant laws, regulations, the Articles, the SIB Listing Rules, the SEHK Listing Rules and the provisions of these Rules.
- Article 17 The ESG Committee shall maintain minutes of the meetings, and the members attending the meeting shall sign on the minutes. The minutes shall be maintained by the secretary to the Board.
- Article 18 Resolutions and voting results adopted at the meetings of the ESG Committee shall be reported to the Board in writing.
- Article 19 Members attending and sitting in on the meeting shall keep confidential of all matters discussed at the meeting. Disclosure of the relevant information without the authorization of the Board shall be prohibited.

Chapter 6 Supplementary Provisions

- Article 20 In case of any item that has not been covered in these Implementation Rules, the laws, regulations, rules, the Articles, the SIB Listing Rules and the SEHK Listing Rules shall govern.
- Article 21 These Implementation Rules shall take effect from the date of consideration and approval by the Board.
- Article 22 The right to interpretation of these Implementation Rules shall be vested in the Board.

By Order of the Board
Shanghai Fudan Microelectronics Group Company Limited*
Jiang Guoxing
Chairman

Shanghai, the PRC, 6 December 2021

** For identification purposes only*