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Rules of Procedures for Shareholders' General Meeting of Yanzhou Coal Mining Company Limited

(Revision approved at the 2013 annual general meeting)

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Chapter 1 General Provisions

Article 1 These rules (these “Rules”) are specifically formulated in accordance with laws and regulations, including the Company Law of the People’s Republic of China (the “Company Law”) and the Governance Rules On the Shareholder’ General Meetings of Listed Companies promulgated by the China Securities Regulatory Commission (“CSRC”), and the Articles of association of Yanzhou Coal Mining Company Limited (the “Company”) for the purpose of regulating the proceedings of shareholders’ general meetings, ensuring that shareholders’ general meetings are duly convened and conducted, and resolutions are legally passed, enhancing the efficiency of shareholders’ general meetings and protecting the legal rights and interests of shareholders.

Article 2 The Company shall convene the shareholders’ general meetings in strict compliance with the relevant requirements stipulated under laws, administrative regulations, these Rules and the Company’s Articles of Association to ensure that the shareholders can exercise their rights in accordance with laws.

The board of directors of the Company shall faithfully perform its obligations and shall organize the shareholders’ general meetings prudently and timely. The directors are obliged to diligently fulfill their obligation to ensure that the shareholders’ general meetings are convened and held in an orderly manner and the functions and powers of the meetings are exercised in accordance with laws.

Article 3 The shareholders' general meeting shall exercise its functions and powers pursuant to the Company Law and the Company's Articles of association.

Article 4 Shareholders' general meetings shall be commonly convened in the place of business of the Company or any other place specified in the notice of the shareholders' general meeting of the Company.

Chapter 2 Powers of Shareholders' General Meetings

Article 5 Shareholders' general meetings are the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors who are not the employee representatives and to decide on matters relating to the remuneration of directors;
- (3) to elect or replace those supervisors who are representatives of the shareholders and decide matters relating to the remuneration of supervisors;
- (4) to examine and approve the board of directors' reports;
- (5) to examine and approve the supervisory committee's reports;
- (6) to examine and approve the Company's proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company's profit distribution plans and loss recovery plans;
- (8) to decide on the increase or reduction of the Company's registered capital;

- (9) to decide on matters such as merger, division, dissolution and liquidation of the Company;
- (10) to decide on the issue of debentures by the Company;
- (11) to decide on the appointment, dismissal and non-reappointment of the accountants of the Company;
- (12) to amend the Company's Articles of Association;
- (13) to examine and approve the matters of guarantee as stipulated in Article 68 of the Company's Articles of Association;
- (14) to consider the Company's annual significant asset purchase or sale exceeding 30% of the audited total asset in the immediate preceding period;
- (15) to consider the mutual provision of loans among overseas subsidiaries of the Company, where the accumulative amount of such mutual loans in 12 consecutive months account for more than 50% of the latest audited net asset value of the Company calculated on the basis of PRC accounting standards, provided that such mutual loans are in compliance with laws, rules and relevant regulations of the relevant place(s) of incorporation of such overseas subsidiaries;
- (16) to examine and approve any change in the use of funds raised;
- (17) to consider share option scheme;
- (18) to decide on other matters which, according to laws, administrative regulations, departmental rules or the Company's Articles of Association, need to be resolved by the shareholders' general meeting.

Article 6 An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting. A special resolution must be passed by votes representing more than two-third of the voting rights represented by shareholders (including proxies) present at the meeting.

Article 7 The following matters shall be resolved by way of an ordinary resolution at the shareholders' general meeting:

- (1) working reports of the board of directors and the supervisory committee;
- (2) operational policies and investment plan of the Company;
- (3) profits distribution plan and loss recovery plan proposed by the board of directors;
- (4) dismissal of members of the board of directors and the supervisory committee and their remuneration and method of payment;
- (5) annual budget report, final accounts, balance sheet, statement of income and other financial statements of the Company;
- (6) annual report of the Company;
- (7) mutual provision of loans among the Company's overseas subsidiaries of which a resolution is required to be passed at the shareholders' general meeting;
- (8) resolution for the appointment, dismissal and non-reappointment of the auditors of the Company;
- (9) approval on any change in the use of funds raised;
- (10) other matters except those requiring special resolutions in accordance with laws, administrative regulations or the Company's Articles of Association.

Article 8 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution, liquidation and change of form of the Company;
- (4) amendment of the Company's Articles of Association;
- (5) the repurchase of the Company's shares;
- (6) the Company's annual significant asset purchase or sale or guarantee with an amount exceeding 30% of the audited total asset in the immediate preceding period;
- (7) share option scheme;
- (8) any other matters requiring special resolutions in accordance with laws, administrative regulations or the Company's Articles of Association and those considered by shareholders in general meetings, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Article 9 The following matters shall be passed by resolutions at a general meeting and passed by votes representing more than one-half of voting rights held by the public shareholders before they could be implemented or submitted for application:

- (1) Issuance of new shares to the public (including overseas-listed foreign-invested share or warrants of other nature), issuance of convertible corporate bonds, and placement of shares to existing shareholders (except the controlling shareholders

have promised to subscribe all placement in full by cash before the commencement of the meeting);

- (2) Significant assets restructuring of the Company, with not less than 20% net premium between the total purchase price of assets and the audited book value thereof;
- (3) Shareholders repay their debts to the Company by their holding shares;
- (4) Affiliated enterprises which have significant impact on the Company are listed overseas;
- (5) Relevant matters which have significant impact on the interests of public shareholders during the Company's development.

Chapter 3 Proceedings at Shareholders' General Meetings

Article 10 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings.

Article 11 Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year.

Article 12 The board of directors shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Company's articles of association or is less than eight (8);
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) where shareholder(s) singly or jointly holding 10% or more of the Company's issued voting shares (excluding proxy, hereinafter "the Requesting Shareholders") request(s) in writing for convening an extraordinary general meeting (the amount of shareholdings of the Requesting Shareholders shall be calculated as at the date of the request(s)), and the board of directors agree to such request(s);
- (4) whenever the board of directors deems necessary or the supervisory committee proposes to convene;
- (5) other situations as stipulated in laws, administrative regulations, departmental rules or the Company's Articles of association.

More than a half of the independent directors are entitled to propose to the board of directors to convene an extraordinary general meeting.

Article 13 If the Company fails to convene shareholders' general meetings for any reason during the above-mentioned period, the Company shall report to the local security authority of the State Council where the Company locates, and the stock exchanges where its stocks are listed (hereinafter names as "the Stock Exchanges"), explaining the reasons and shall publish public announcements.

Article 14 Whenever any independent director requests the board of directors to convene an extraordinary general meeting, the board of directors shall, in accordance with laws, administrative regulations and the Company's Articles of Association, reply in writing stating whether such request is consented to or not within ten (10) days after receipt of the request.

If the board of directors consents to the request, a notice of convening the shareholders' general meeting shall be issued within five (5) days after the resolution has been made by the board of directors; if the board of directors refuses the request, the board of directors shall explain and publish public announcements.

Article 15 The supervisory committee may request the board of directors to convene an extraordinary general meeting in writing. The board of directors shall, in accordance with laws, administrative regulations and the Company's Articles of Association, reply in writing stating whether such request is consented to or not within ten (10) days after receipt of the request.

If the board of directors consents to the request, a notice of convening the shareholders' general meeting shall be issued within five (5) days after the resolution has been passed by the board of directors. In cases where the agenda proposed by the supervisory committee has been changed in such notice, consent from the supervisory committee shall be obtained.

If the board of directors refuses the request, or the board of directors has not replied in writing stating whether such request is consented to or not within ten (10) days after receipt of the request, the board of directors shall be deemed as unable to convene or not convening such shareholders' general meeting. The supervisory committee can then convene and chair a general meeting by itself.

All necessary expenses incurred for such shareholders' general meeting convened by the supervisory committee shall be borne by the Company.

Article 16 Shareholders shall request an extraordinary general meeting or a general meeting of a class of shareholders in pursuant to the following proceedings:

- (1) Shareholders who individually or together hold 10% or more of the shares carrying the right to vote in the meeting are entitled to propose to convene an extraordinary general meeting or a class meeting to the board of directors in writing and state the motions and resolutions proposed. Within 10 days of receiving such proposal, the board of directors shall provide its written decision as to whether it agrees to convene such general meeting in accordance with the laws, administrative regulations and the Articles of Association.
- (2) If the board of directors agrees to convene an extraordinary general meeting or a class meeting, it shall issue a notice of meeting within 5 days of its decision, and any changes to the proposal shall be made only with the consent of the proposing shareholders.
- (3) If the board of directors decides against convening the proposed extraordinary general meeting or class meeting, or if it fails to provide its written decision

within 10 days of receipt of the proposal, shareholders individually or in aggregate holding 10% or more of the shares of the Company are entitled to propose to convene general meeting to the supervisory committee in writing.

- (4) If the supervisory committee agrees to convene the proposed extraordinary meeting or class meeting, it shall issue the notice of meeting within 5 days of receipt of the proposal, and any changes to the original proposal shall be made only with the consent of the shareholders.
- (5) If the supervisory committee fails to issue a notice of meeting within the prescribed period, the supervisory committee shall be deemed not to convene and chair the meeting. Shareholders individually or in aggregate holding 10% or more of the shares of the Company for 90 consecutive days may convene and chair the meeting on their own.

All reasonable expenses incurred for such meeting convened by the Supervisory Committee or shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company.

Article 17 If the supervisory committee or the requesting shareholders decide to convene the extraordinary general meeting itself, they shall notify the board of directors in writing and report the same to the local security authority of the State Council where the Company locates, and the Stock Exchanges.

The supervisory committee and the requesting shareholders shall provide the relevant evidencing materials to the local security authority of the State Council where the

Company locates, and the Stock Exchanges when issuing the notice convening the extraordinary general meeting and making announcement of resolutions resolved at the extraordinary shareholders' general meeting.

Article 18 The board of directors and its secretary shall act co-operatively in relation to the extraordinary shareholders' general meeting convened by the supervisory committee or the requesting shareholders. The board of directors shall provide the shareholder register on the closing date of registration, failing of which shall entitle the convener to apply for such shareholder register from the securities registrar and settlement institute by producing the relevant announcement convening the extraordinary general meeting. The convener shall not use such shareholder register so obtained for any purposes other than convening the extraordinary general meeting.

Chapter 4 Qualifications of Shareholders Attending the Shareholders' General Meeting

Article 19 Shareholders who are on the register of shareholders on the date of book closure as stated on the notice of the shareholders' general meeting, and after they have registered as required, are entitled to attend the meeting and have the voting rights.

Article 20 Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one (1) or more proxies (such person need not be a shareholder) to attend and vote at such meeting on his behalf.

Article 21 The board of directors, independent directors and any shareholder fulfilling certain criteria can collect voting rights at a general meeting from the Company's shareholders.

Article 22 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a legal entity, under seal and under the hand of its legal representative or its authorized attorney.

Such instrument signed by a person under a power of attorney or other authority on behalf of the appointer shall be notarized.

Article 23 A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from the appointing shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one (1) proxy may only vote on a poll.

Article 24 A shareholder who attends the shareholders' general meeting shall show his shareholding account voucher, identity card or other valid identification documents which can prove his identity; a proxy attending the shareholders' general meeting shall also show the power of attorney provided by the shareholder and his own valid identification documents.

Article 25 The power of attorney provided by the shareholders shall contain the following items:

- (1) The name of the proxy;
- (2) whether the proxy is vested with the right to vote;
- (3) instruction on whether to vote for or against or to abstain from voting for every item listed on the agenda to be voted at the shareholders' general meeting (excluding power of attorney provided by shareholders holding H shares);
- (4) The signing date and validity period of the power of attorney;
- (5) The signature (or seal) of the appointer. If the appointer is a corporation, the common seal shall be affixed.

Article 26 The power of attorney shall be placed at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than twenty-four (24) hours before the time for holding the meeting.

Article 27 The relevant instruments provided by the shareholders and the proxies attending the meeting shall be viewed as invalid for attending such meeting in any of the following circumstances:

- (1) The identity cards produced violate the *Regulations of Resident Identical Cards and the Detailed Rules for Implementation* in such a way that they are imitated, expired, altered or having the wrong digits of card number;
- (2) The identity card produced cannot be verified;
- (3) More than one proxy are appointed by the same shareholder and the signature on their powers of attorney are apparently inconsistent;

- (4) The signature on the power of attorney submitted by fax for registration is apparently inconsistent with that produced at the meeting;
- (5) The power of attorney is not signed nor sealed by the appointer;
- (6) The relevant documentary proof submitted is in apparent breach of the laws, regulations or the Company's Article and Association.

Chapter 5 Proposals and Notice of the Shareholders' General Meeting

Article 28 The board of directors, the supervisory committee and shareholders who hold more than 3% shares of the Company singly or jointly, are entitled to propose motions to the shareholders' general meeting convened by the Company.

A shareholder singly or shareholders jointly holding more than 3% of the shares of the Company may propose new motions to the convener in writing 10 days before the shareholders' general meeting. The convener shall issue supplementary notice of shareholders' general meeting within two (2) days after receipt of the new motion and make announcement of the content of the new motion.

Except as mentioned above, the convener shall not amend any motion or newly added motion as specified in the notice of shareholders' general meeting after making announcement of the shareholders' general meeting.

Motion(s) not specified in the notice of shareholders' general meeting or inconsistent with the requirements stipulated in Article 81 of the Company's Articles of association

shall not be voted or resolved at the shareholders' general meeting.

Article 29 The motion(s) proposed shall be within the scope of the functions and powers of the shareholders' general meeting, with clear topic and specific matters to be resolved, and in accordance with relevant regulations as stipulated in laws, administrative regulations and the Company's Articles of association.

Article 30 If motions involving investment, disposal of assets, acquisition and merger require assets evaluation, auditing or assessment by independent financial consultants as stipulated by relevant regulations, the board of directors shall publish the result of assets evaluation and auditing, or reports from independent financial consultants at least five (5) working days before the shareholders' general meeting.

Article 31 When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting (when calculating the 45 days' period, the date on which the meeting is held shall not be included).

Article 32 For foreign shareholders, notice of shareholders' general meetings shall be served on them to their address as shown in the register of shareholders and public announcement shall be made in Hong Kong in Chinese and English. For holders of domestic shares, notice of the meetings shall be issued by way of public announcement on at least one newspaper designated by the security authority of the State Council for disclosure of information. After such public announcement is made, holders of

domestic shares shall be deemed to have received the notice of the relevant shareholders' general meetings.

Article 33 Any shareholder intending to attend the meeting shall deliver to the Company a written reply showing his intention to attend not less than twenty (20) days before the meeting.

The Company shall calculate the number of voting shares represented by the shareholders who have indicated their intention to attend the shareholders' general meeting based on the written replies received not less than twenty (20) days before the meeting. Where the number of such voting shares reaches half of the Company's total number of such shares, the Company may convene the shareholders' general meeting. Otherwise, the Company shall, within five (5) days, inform the shareholders again of the matters to be considered, the date and the venue of the meeting by way of public announcement. After making the announcement, the shareholders' general meeting may be convened.

Article 34 The notice of the shareholders' general meeting shall meet the following requirements:

- (1) be made in writing;
- (2) specify the place, date and time for the meeting;
- (3) set out the matters to be considered at the meeting;
- (4) provide the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be

discussed; this principle includes (but not limited to) where the Company proposes to merger with the other, repurchase its shares, restructure its share capital or to undergo other reorganization, the specific terms and conditions of the proposed transactions must be provided in detail together with copies of the contracts related thereto, if any, and the causes and effect of the same must be properly explained;

- (5) contain a disclosure of the nature and extent of the material interests of any director, supervisor and senior management in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders insofar as it is different from the effect on interests of shareholders of the same class;
- (6) contain the full text of any special resolution to be proposed and approved at the meeting;
- (7) contain a conspicuous statement that a shareholder is entitled to attend and vote at the meeting and is entitled to appoint one (1) proxy in writing to attend such meeting and to vote on his behalf and that a proxy needs not be a shareholder of the Company;
- (8) state the date and place to serve a proxy form to appoint a proxy to vote at the meeting;
- (9) state the deadline for registration of shareholding for the purpose of qualifying to attend such meeting;
- (10) state the name and telephone number of the contact person for the meeting.

In the event the opinion of independent directors is required for the issues to be discussed, such opinion and the reasons for such opinion shall be disclosed in the notice or supplementary notice of the general meeting being issued.

Article 35 The notice convening shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions, and provide all data or explanation necessary for the shareholders to make reasonable judgment towards the matters to be discussed. If the motion is to alter the matters resolved at a previous shareholders' general meeting, the motion shall be full and complete and not just listing out the alteration.

Article 36 As for election of directors and supervisors to be discussed at the shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose the detailed information of the candidates for directors and supervisors, and include the following minimum information:

- (1) Personal background, such as education, work experience, and part-time jobs;
- (2) If any, his/her associate relationship with the Company, the controlling shareholder of the Company or the actual controller of the Company;
- (3) Amount of shareholdings held in the Company;
- (4) (If any) his/her penalties received from security authority of the State Council and other relevant departments, and warnings from the Stock Exchanges.

Article 37 After the issuance of the notice convening the shareholders' general meeting, the meeting cannot be postponed or cancelled without reasonable grounds and the motion(s) specified in the notice cannot be cancelled. In cases where the meeting has to be postponed or cancelled, the convener shall make announcement and explanation at least two (2) working days before the original convening date of the meeting.

Chapter 6 Convening of Shareholders' General Meeting

Article 38 The Company shall adopt the principle of simplicity to convene shareholders' general meetings and shall not pay additional economic benefits to the attending shareholders (or proxies).

Article 39 The board of directors and other conveners shall take all the necessary measures to ensure that the shareholders' general meeting is held in an orderly manner. Apart from the shareholders (or proxies), directors, supervisors, management staff, attesting solicitors, Company's accountants and the persons invited by the board of directors, the Company is entitled to refuse attendance of other people.

Any behaviour interfering with the shareholders' general meeting, causing disturbance or prejudicing the legitimate rights and interest of the shareholders shall be prohibited by taking necessary measures and reporting to the relevant departments for further handling.

Article 40 A conference venue shall be set up for the shareholders' general meeting and a live conference mode shall be adopted. The Company can use safe, economical and convenient information technology network or other means to facilitate participation by the shareholders in the meeting. The shareholders attending the meeting in such ways shall be deemed as being present at the meeting.

The shareholders can personally attend and vote at the shareholders' general meeting, or authorise proxies to attend the meeting and vote within the scope of authority granted by the power of attorney.

Article 41 In cases where network or other means is to be adopted for the Company's shareholders' general meeting, the notice of shareholders' general meeting shall state clearly the voting time and voting proceedings with such means.

The voting of a shareholders' general meeting held through network or other means shall not commence before 3:00 pm on the day before the day on which the on-site shareholders' general meeting is convened, nor after 9:30 am on the day on which the on-site shareholders' general meeting is convened, and shall not end before 3:00 pm on the closing day of the on-site shareholders' general meeting.

Article 42 The convener and the solicitors shall together verify the validity of the shareholders' qualification in accordance with the shareholder register provided by the securities registrar and settlement institute, and register the names of the shareholders and their amount of voting shares held. And the meeting attendance registration shall

end before the person presiding the meeting announcing the number of shareholders and proxies present and the total amount of voting shares held.

Article 43 When convening shareholders' general meeting, all directors, supervisors and senior management should attend the meeting.

Article 44 In pursuant to the arrangement by the board of directors, the working body of the board of directors shall be responsible for organizing shareholders' general meetings.

Article 45 When convening a shareholders' general meeting, the Company shall appoint a lawyer to issue a legal opinion on the following matters and make announcements in relation thereto:

- (1) whether the procedures of convening and holding the shareholders' general meetings comply with laws, administrative regulations, these Rules and the Company's Article and Association;
- (2) whether the qualifications of the persons attending the general meeting and the convener are legally valid;
- (3) whether the procedures of resolution and the results of resolution are legally valid;
- (4) any other matters as required by the Company.

Article 46 The Chairman of the board of directors shall preside at the shareholders' general meeting. If the Chairman is unable to preside at the meeting for

any reason, the Chairman shall assign the vice-chairman of the board of directors to preside at the meeting. If the vice-chairman of the board of directors is unable to or does not perform his obligation, a director elected by more than half of the directors shall preside at the meeting. If no chairman of the meeting has been so designated, the shareholders present shall choose one (1) person to act as the chairman of the meeting. And if the shareholders fail to elect one person to preside at the meeting for any reason, then the shareholder (including proxies) holding the largest amount of voting share shall preside at the meeting.

The chairman of the supervisory committee shall act as the chairman of the shareholders' general meeting convened by the supervisory committee itself. If the chairman of the supervisory committee is unable to or does not perform his obligation, then the vice-chairman shall preside at the meeting. If the vice-chairman is unable to or does not perform his obligation, then a supervisor elected by more than half of the supervisors shall preside at the meeting.

The convener shall nominate a representative to preside at the shareholders' general meeting convened by the shareholders themselves.

At the shareholders' general meeting, if the chairman of the meeting violates rules of procedures and impedes the meeting, upon approval passed by more than half of the shareholders with voting right present at the on-site general meeting, the general meeting can nominate one (1) person to preside at the meeting and such meeting shall

continue.

Article 47 The shareholders (or proxies) shall sign in the attendance book.

Article 48 The board of directors and the supervisory committee shall present their working reports of the preceding year at the shareholders' annual general meeting. The independent directors shall present an annual report of all independent directors at the shareholders' annual general meeting of the Company and explain the performance of their obligations.

Article 49 Before the voting, the person presiding at the meeting shall announce the number of shareholders and proxies attending the on-site meeting and the total amount of voting shares, which shall be subject to the figures registered at the meeting.

Article 50 The shareholder who has any associate relationship with the matters to be resolved at the shareholders' general meeting shall abstain from voting and his number of voting shares shall not be counted towards the total number of the voting shares present at the general meeting.

The shares held by the Company itself do not have voting right, and such shares shall not be counted towards the total amount of voting shares present at the shareholders' general meeting.

Chapter 7 Examination of Motions

Article 51 Consideration of and voting on all the proposals set forth in the agenda of a shareholders' general meeting shall be made at the meeting, and voting of such proposals shall neither be put on hold nor refused for any reasons.

Article 52 No amendment shall be made to the motion(s) when they are being examined and considered at the shareholders' general meeting. Otherwise, any change to the motion shall be considered as a new motion and shall not be resolved at that current shareholders' general meeting.

Article 53 One voting right can only be exercised by either on-site voting, network or other voting means. The first voting result shall prevail when there are repeated votings under the same voting right.

Article 54 The shareholders attending the shareholders' general meeting shall vote "for", "against" or "abstain" for every motion proposed for resolution.

Any vote which is incomplete, incorrectly completed, completed with illegible writing or not cast shall be deemed to be from a voter abstaining from voting. The voting result of such voting shares shall be counted as "abstaining".

Article 55 If a shareholder intends to speak at the meeting, he shall register in advance in writing with the secretariat of the meeting. The chairman and the secretariat

shall coordinate and arrange the time when the shareholders shall speak.

Article 56 The shareholders can inquire on the motions filed. Directors, supervisors and senior management shall make a reply or statement to the shareholders' queries and suggestions.

Article 57 The chairman of the meeting, the directors, the supervisors and the senior management can refuse to respond to the inquiries of the shareholders in any one of the following circumstances, but shall give explanation to the shareholders of his refusal:

- (1) the matters inquired have no relation to the motions of the meeting;
- (2) the matters inquired are subject to investigation;
- (3) the matters inquired relates to the business secrets of the Company.

Article 58 The chairman of the meeting shall have the power to declare the adjournment of the meeting, base on the progress and arrangement of the meeting.

Chapter 8 Resolutions of Shareholders' General Meetings

Article 59 Under normal circumstances, shareholders shall examine all motions before they are put to vote; or the shareholders may examine and take a vote upon every motion one by one.

Article 60 A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the number of voting shares he represents. Each share shall have one (1) vote.

Article 61 When the Company convenes a shareholders' general meeting to examine any of the five matters mentioned in **Article 9** in these Rules, apart from polls taken at the venue of the meeting, the Company shall provide an internet platform for shareholders to vote. Each share can only choose either to vote at the venue of the meeting or through the online voting system.

The online voting platform for holders of domestic shares shall be provided by the internet service providers designated by the security authority of the State Council and the Shanghai Stock Exchange. Holders of overseas-listed foreign-invested shares shall not be provided online voting platform.

Article 62 When connected transactions are put to vote at general meetings, shareholders who have any associate relationship shall not participate in the voting. The voting shares represented by them shall not be counted towards the total number of voting shares for that meeting.

Article 63 The accumulative voting method shall be used in both the election of directors (including independent directors but excluding directors as employees' representatives) and the election of supervisors (not being employees' representatives)

at shareholders' general meetings. Votes shall be taken for each candidate of directors and supervisors one by one.

For election of directors in shareholders' general meetings, independent directors shall be elected separately from other directors.

Article 64 Except in accumulative voting, the shareholders' general meetings shall vote on all motions proposed one by one, and examine and approve different motions related to the same matter in the time sequence as submitted. Unless the shareholders' general meeting is adjourned or rendered unable to make resolution by force majeure or other exceptional reasons, the general meeting shall not leave the motion(s) proposed unconsidered or fail to vote on it.

Article 65 The number of votes cast by shareholders or proxies through the internet voting system, at the venue of the meeting and by other ways complying with regulations shall be counted towards the total numbers of votes of poll.

If motions are required to be passed by single resolution of public shareholders in accordance with relevant regulations, the number of votes cast by the public shareholders shall be summed up singly.

Article 66 Where any shareholder is required to abstain from voting on any particular resolution or restricted to vote only for or against any particular resolution under the Listing Rules of the Stock Exchange of Hong Kong, any vote cast by or on

behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of votes.

Article 67 When a poll is taken at a meeting, a shareholder (including a proxy) entitled to two (2) or more votes need not cast all his votes for or against any resolution.

Article 68 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

Article 69 Before voting on the motions proposed, the shareholders' general meeting shall nominate two (2) representatives of shareholders to participate in counting the votes and scrutineering. If the shareholder has associate relationship with the matters to be examined and resolved, the relevant shareholders or proxies shall not participate in counting or scrutineering the voting of the resolution.

When the shareholders' general meeting is voting on the motion(s) proposed, the lawyer(s), the representative(s) of shareholders and the representative(s) of supervisors shall be responsible for counting and scrutineering the votes of resolutions together.

The shareholder or his proxy voting through network or other means is entitled to verify their votes of resolution through the corresponding voting system.

Article 70 The voting at the on-site shareholders' general meeting shall not end earlier than the voting through network or other means. The person presiding at the

meeting shall announce the voting situations and results for each resolution proposed, and whether the resolution has been passed by voting or not.

Before the formal public announcement of the voting results, the Company, the votes counting person, the scrutineer, the major shareholders, the network service party and any other relevant parties shall keep the voting results confidential.

Chapter 9 Special Procedures for Approval by Different Classes of Shareholders

Article 71 Shareholders who hold different classes of shares are class shareholders.

Article 72 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval of a special resolution of shareholders in a general meeting and by holders of shares of that class at a separate meeting conducted in accordance with **Articles 75 to 78**.

Article 73 The following circumstances shall be deemed to be variation or abrogation of the rights attaching to a particular class of shares:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting or equity rights or privileges equal or superior to those of shares of that class;

- (2) to exchange all or part of the shares of that class for shares of another class, to exchange or to create a right in exchange of all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4) to reduce or remove preferential rights attached to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting or equity rights or privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;
- (9) to allot and issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (12) to vary or abrogate the provisions of this Chapter.

Article 74 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 73, but interested shareholder(s) shall not be entitled to vote at such class meetings.

Article 75 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote thereat.

Article 76 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' general meetings. The provisions of the Company's articles of association relating to the manner for the conduct of shareholders' general meetings are also applicable to class meetings.

Article 77 Apart from the holders of other classes of shares, the holders of the domestic shares and holders of overseas-listed foreign-invested shares shall be deemed to be holders of different classes of shares.

Article 78 The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon the approval by special resolution of its shareholders in a general meeting, either separately or concurrently once every twelve (12) months, not more than 20% of each of its existing issued domestic Shares and overseas-listed foreign-invested shares; or
- (2) where the Company's plan to issue domestic shares and overseas-listed foreign-invested shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the State Council's securities authorities.

Chapter 10 Disclosure of Resolutions of Shareholders' General Meetings

Article 79 The resolution of the general meeting passed by votes in a shareholder's general meeting shall be signed by the directors, the supervisors and the secretaries of the board of directors of the Company attending the meeting for confirmation.

Article 80 The board of directors and other convener(s) shall ensure that the shareholders' general meeting will be held uninterruptedly within reasonable working hours until a final resolution is passed. If the shareholders' general meeting cannot be held or no resolution is passed therein due to force majeure or any other exceptional reasons, the board of directors and other convener(s) shall make explanation to the Stock Exchange concerned and make a public announcement. The board of directors and other convener(s) shall take necessary measures to convene the shareholders'

general meeting as soon as possible.

Article 81 On the day when the shareholders' general meeting ends, the Company shall submit the resolutions passed, public announcement of resolutions, legal opinions of attesting solicitor to the Shanghai Stock Exchange and the Stock Exchange of Hong Kong. Upon examination by the relevant stock exchanges, the Company shall issue the public announcement of resolutions in national and overseas newspapers the next business day.

Article 82 Disclosure of resolutions of shareholders' general meetings shall be carried out concurrently both locally and in overseas where the Company's shares are listed.

Article 83 The resolution of a shareholders' general meeting shall be publicly announced in time and the public announcement shall include the numbers of shareholders (and proxies) attending the meeting, the total numbers of voting shares held by them, their proportion to the total voting shares of the Company, the means of votes, the result of every motion and details of every resolution passed.

The Company shall take the statistics and announce the situation of the attendance and voting of holders of domestic shares and of foreign shares separately.

Article 84 If a general meeting is convened to consider and approve any of the five issues set out in Article 9 of these Rules, the public announcement of the resolutions of

the shareholder's general meeting shall set out the number of the public shareholders voting at the meeting, the shares held by them and their proportion to the total number of public shares of the Company, the result of their votes as well as the shareholding of the top ten largest public shareholders and the voting result of their votes.

Article 85 If the proposed resolution is not passed or resolution passed in previous meetings is amended in the shareholder's general meeting, relevant special statements shall be made in the announcement of the resolution of the shareholder's general meeting.

Article 86 If a proposed resolution concerning cash distribution, bonus issue, and capital reserve capitalisation has been passed at the shareholders' general meeting, the Company shall implement a specific scheme within two (2) months after the closing date of the shareholders' general meeting.

Chapter 11 Minutes of Shareholders' General Meetings

Article 87 The secretary of the board of directors shall be responsible for the minutes of the meeting, which shall include the following contents:

- (1) date, venue, agenda of the meeting and the name or title of the convener;
- (2) name of the person presiding at the meeting, the directors, the supervisors and the senior management attending the meeting as non-voting delegates or otherwise;

- (3) number of shareholders and proxies attending the meeting, the total number of voting shares held and the proportion of their total voting shares to the Company's total shares;
- (4) proceedings, main points raised and voting result on every motion proposed to be examined;
- (5) shareholders' comments and suggestions as well as the corresponding replies and explanations;
- (6) names of the solicitor, votes counting person, and scrutineer;
- (7) other contents required to be included in the minutes by the Company's Articles of association."

The directors, supervisors, secretary to the board of directors, convener or his representative, and the person presiding at the meeting shall sign on the minutes, and ensure the truthfulness, accuracy and completeness of the contents of the minutes. The minutes shall be filed as records together with the signature book signed by shareholders attending the meeting, the proxies' power of attorney, and other effective voting data by way of network or other means, and be kept for at least ten (10) years.

Article 88 Copies of the minutes of meeting shall be open for free inspection during the business hours of the Company by any shareholder. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days of the receipt of reasonable charges.

Chapter 12 Supplementary Provisions

Article 89 These Rules will take effect on the date when they are passed by the shareholders' general meeting of the Company.

Article 90 Where these Rules are in conflict with any of the promulgated laws, regulations, local listing rules and the articles and association of the Company, the relevant laws, regulations, rules and articles shall be complied with.

Article 91 The words herein of "more" and "within" include the figure itself; while the words of "exceeding" exclude the figure itself.

Article 92 These Rules shall be interpreted by the board of directors of the Company.

Rules of Procedures for the Board of Directors of Yanzhou Coal Mining Company Limited

(Revision approved at the first Extraordinary General Meeting of 2011)

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Chapter 1 General Provisions

Article 1 These rules of meetings are formulated in accordance with the “Company Law of the People’s Republic of China”, the “Governing Guideline of Listed Companies” and the governing laws and regulations of the place where the shares of Yanzhou Coal Mining Company Limited (the “Company”) are listed, together with the Articles of Association and the established practice of the Company. The purposes of these rules are to ensure the efficient operation and scientific decision of the Board, to standardize the operational procedures of the Board and internal organizations, and to bring in full play the pivotal function of the Board in making operational decision.

Article 2 As a regular organisation of the Company, the board of directors comprises eleven (11) directors, amongst which four (4) are independent directors, one (1) is employee director, with one (1) Chairman and one (1) Vice-chairmen.

Article 3 The board of directors shall operate independently, report on its work to the shareholders in general meeting, and is accountable to the shareholders in general meeting.

Chapter 2 Duties and Powers of the Board of Directors

Article 4 The Board takes responsibilities for the shareholders in a general meeting and exercises the following powers and duties:

- (1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meeting;
- (2) to implement the resolutions passed by the shareholders in general meeting;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital, for the issuance of the Company's debentures or other securities and the listing thereof;
- (7) to draw up plans for the substantial acquisition, repurchasing of shares, merger, division or dissolution of the Company and alternation of forms of the Company;
- (8) to decide on the Company's internal management structure;
- (9) to appoint or remove the Company's general manager and secretary of the Board and to appoint or remove the deputy general manager(s) and other senior officers and to determine their remuneration and matters relating to awards and penalty based on the recommendations of the general manager;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendment of the Company's Articles of Association;
- (12) to decide on the Company's business involving external investments, purchase and sale of assets, mortgages of assets and external guarantees, entrusting financing and connected transactions within the authority conferred by the shareholders' general meeting.
- (13) to manage disclosure of the Company's information;

(14) to recommend in the shareholders' general meeting the appointment or replacement of the Company's accounting firm which is responsible for the auditing;

(15) to receive the working report of the Company's management and examine their performance;

(16) To approve an aggregate amount of provision for impairment of assets not more than 10% of the latest audited consolidated net asset value of the Company, to clear an amount of provision for impairment of assets not more than 5% of the latest audited consolidated net asset value of the Company, and to comply with the relevant regulations on connected transaction if any provision and clearance of impairment of assets involves any connected transactions;

(17) To exercise any other powers and duties conferred by law, administrative regulations, department rules, Articles of Association of the Company and the shareholders in general meeting.

Unless otherwise stipulated in the Articles of Associations, other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.

Article 5 The Board shall decide the limit on external investment, mortgages of assets, external guarantees, entrusting financing and connected transactions of the Company and shall establish strict examination and decision making procedures.

Material investment projects shall be assessed by relevant experts and professional advisers and shall be approved in a shareholders' general meeting.

Article 6 The board of directors shall not, without the approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the amount or value of the consideration for the proposed disposition, and the amount or value of the consideration for any such disposition of any fixed assets of the Company that has been completed in the period of four (4) months immediately preceding the proposed disposition, exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet which was tabled at a shareholders' general meeting.

For the purposes of this Article, "disposition" includes an act involving the transfer of an interest in assets but does not include the usage of fixed assets for the provision of security.

The validity of a disposition by the Company shall not be affected by any breach of the first paragraph of this Article.

Article 7 With the approval over two-thirds of all directors, the Board may decide on the following matters:

(1) transactions falling within the following limit (whichever is stricter) with respect to purchase or sale of assets, external investment (including entrusted financial management

and entrusted loans, etc.), provision of financial assistance, leasing of assets as lessor or lessee, restructuring of claims or debts, giving or receiving assets as a gift, entrusted or trusted asset or business management, entering of licence agreement, transferring or accepting the transfer of research and development projects:

1. the aggregate assets value (where book value and assessed value are available, whichever is higher) involved in a single transaction with amount more than 10% and below 50% of the Company's latest audited total asset value prepared in accordance with the PRC GAAP; or more than 5% and less than 25% of the Company's latest published total assets value prepared in accordance with the International Financial Reporting Standards;

2. a single transaction of which the completion consideration (including liabilities and expenses) accounts for more than 10% and less than 50% of the Company's latest audited net asset value prepared in accordance with the PRC GAAP; or more than 5% and less than 25% of the total market capitalisation of the Company (which is calculated by the average closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of a transaction);

3. the latest annual income from principal operations of the subject of a single transaction accounted for more than 10% and less than 50% of the Company's latest audited income from principal operations for the latest financial year prepared in accordance with the PRC GAAP; or more than 5% and less than 25% of the Company's latest audited income from principal operations for the latest financial year prepared in accordance with the International Financial Reporting Standards;

4. the latest annual net profit of the subject of a single transaction accounted for more than 10% and less than 50% of the Company's latest audited net profit for the latest financial year prepared in accordance with the PRC GAAP; or more than 5% and less than 25% of the Company's latest audited net profit for the latest financial year prepared in accordance with the International Financial Reporting Standards.

The above transactions which involve public offer of securities that requires the approval of the China Securities Regulatory Commission shall be subject to approval of the shareholders' general meeting;

(2) a single loan of more than 10% and less than 25% of the Company's latest audited net asset value and the debt ratio to the Company's assets remains under 80% after such financing;

(3) mortgages or pledges of assets the cumulative outstanding amount of which is less than 30% of the Company's most recently audited net asset value;

(4) external guarantees not within the approval limit of the shareholders' general meeting as provided in the Articles of Association;

(5) transactions involving connected transactions, to be conducted in accordance with the relevant regulations of securities authorities of the State Council and the listing rules of the stock exchanges.

The transactions referred to in (1) of the first paragraph involving the provision of financial assistance and entrusted financial management, shall be calculated on accrued basis for twelve consecutive months according to the transaction categories and applicable approval limit proportion of the board of directors. When the Company conducts other transactions apart from the provision of financial assistance and entrusted financial management, applicable approval limit proportion of the board of directors regarding each transaction which is under the same category shall be calculated on the principle of accrued basis for twelve consecutive months. Transactions already approved by the Company in accordance with the principle of accrued basis shall not be included in the scope of accrual calculation.

Provision of regulatory authorities the Company is subject to within and outside the PRC that is of a stricter standard than this Article of Association shall apply accordingly.

Chapter 3 Duties and Powers of Chairman

Article 8 The Chairman and Vice-chairman of the board of directors shall be elected and dismissed by more than one-half of all members of the board of directors. The term of office of the Chairman and Vice-chairman shall be three (3) years, which is renewable upon re-election.

Article 9 The Chairman of the board of directors exercises the following duties and powers:

- (1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;
- (2) to check on the implementation of resolutions passed at the board's meetings;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign the important documents of the board of directors and other documents which should be signed by the Company's legal representative;
- (5) to exercise the duties and powers of the legal representative;
- (6) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to the laws and the Company's interest; and to report to the Company's board of directors and shareholders' general meeting afterwards;
- (7) to exercise other powers conferred by the board of directors.

Article 10 The vice chairman shall assist the chairman in his work. Where the chairman is unable to or does not perform the duty, the vice chairman appointed by the chairman shall perform the duty. Where the vice chairman is unable to or does not perform the duty, a director nominated by more than one-half of the directors shall perform the duty.

Chapter 4 Special Duties and Powers of Independent Directors

Article 11 Apart from the duties and powers granted to directors by the Company Law and other relevant laws, regulations and these Articles of Association, the independent directors shall have the following special duties and powers:

(1) Substantial connected transactions (determined in accordance with the standard promulgated from time to time by the regulatory organisations of the place where the Company's shares are listed), and engaging or ceasing to engage an accounting firm, shall be agreed by more than one-half of the independent directors before submitting to the board of directors for consideration.

(2) With the consent of more than one-half of all the independent directors, the independent directors may request the board of directors to convene an extraordinary general meeting, suggest the convening of a board meeting, publicly collect voting rights from the shareholders before the shareholders' general meeting;

(3) With the consent of more than one-half of all the independent directors, the independent directors may engage external audit institutions or consultative institutions independently to provide audit and consultation for specific matters of the Company, the relevant costs of which shall be undertaken by the Company.

If the above recommendations are not accepted or the above powers can not be exercised ordinarily, the Company shall disclose the circumstances accordingly.

Article 12 The independent directors shall express their independent opinion to the Company's shareholders, board of directors or regulatory organisations on relevant matters in accordance with the regulatory provisions of the place where the

Company's shares are listed.

Chapter 5 Obligations and Responsibilities of Directors

Article 13 Directors must observe laws, regulations and the Articles of Association and shall owe the following fiduciary duties to the Company:

(1) Directors shall not receive bribes or other unlawful income nor appropriate property of the Company;

(2) Directors shall not embezzle capital of the Company;

(3) Directors shall not open savings account in their personal or other individuals' interests by using property or capital of the Company;

(4) Directors shall not provide loans to others using capital of the Company or provide guarantee by using assets of the Company in breach of Articles of Associations prior to the approval of shareholders' meeting or board meeting;

(5) Directors shall not enter into contracts or transactions with the Company without the prior approval of the shareholders in a general meeting or in breach of the Articles of Association of the Company;

(6) Without the approval of shareholders' meeting, directors shall not take business opportunities belonging to the Company which the director obtains through his position, whether for himself or others, nor shall he engage in the same business as the Company;

(7) Directors shall not accept the commissions arising from transactions with the Company;

(8) Directors shall not disclose the Company's confidential information without the Company's approval;

(9) Directors are not allowed to infringe Company's interests by using connected relationship;

(10) Directors must observe other fiduciary duties stipulated by laws, administrative regulations, department rules and the Articles of Associations.

Directors shall account to the Company for any profits obtained by virtue of any breach of this Article and shall compensate the Company for any loss caused by such breach.

Article 14 Directors shall observe laws, administrative regulations and Articles of Association and owe the following duties of care to the Company:

(1) The directors should exercise their powers in a cautious and diligent manner so that the business activities of the Company comply with the national laws, administrative regulations and various economic policies and do not exceed the business scope allowed in the operation license;

(2) Directors should treat all the shareholders equally;

(3) Directors should have an updated knowledge of the operation and management of the Company's business;

(4) Directors should sign written confirmation on Company's periodic report and ensure that the information contained therein is true, accurate and complete;

(5) Directors should provide information to the supervisory committee of the Company and shall not in any way impede the supervisory committee of the Company or supervisors in their performance of their duties;

(6) Directors should perform other duties stipulated by laws, administrative regulations, department rules and Articles of Associations of the Company.

Article 15 Directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Company's Articles of Association of the Company and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefore. However, if it can be proved that a director expressly objected to and voted against the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability. The directors who abstained from voting on the resolution when it was being considered (except those directors who abstained from voting pursuant to regulatory provisions), and who expressly objected to the resolution but did not explicitly vote against the resolution, shall not be exempted from such liability.

Article 16 Where the directors of the Company violate the provisions of the listing rules of a stock exchange on which the Company's shares are listed or the undertakings given to a stock exchange, the stock exchange may, depending on the seriousness of the situations, penalize the directors in the following manners:

1. criticize by way of notice circulated within the listed company;
2. reprimand publicly;
3. confirm publicly that the directors concerned are unsuitable to act as directors of listed companies for a minimum of three years.

The penalties 2 and 3 above can be imposed concurrently.

Article 17 Where the Company fails to disclose information according to the regulatory provisions or the information disclosed contains false record, misleading statement or material omission, the regulatory organisation will give warnings to the directly responsible person-in-charge and other directly responsible personnel and impose a fine of at least RMB30,000 but not more than RMB300,000.

Article 18 The Company sets up a decision-making risk fund for directors to compensate the directors who discharge their duties lawfully and liable for risks undertaken. The relevant details are implemented in accordance with the specific provisions of the “Management Measures for the Directors’ Decision-making Risk Fund of Yanzhou Coal Mining Company Limited”.

Chapter 6 Institutions under the Board of Directors

Article 19 Specialized committees such as strategic committee, audit committee, nomination committee and remuneration committee may be formed under the board of directors to conduct studies on professional matters and provide the board

of directors with opinion and recommendation for reference in making decision. All members of the specialized committees should be directors.

Article 20 The majority of the audit committee, nomination committee and remuneration committee of the board of directors shall be independent directors who also act as conveners. All the members of the audit committee shall be non-executive directors and at least one of the independent directors shall be accounting professional or has appropriate financial management expertise.

Article 21 The primary responsibilities of the audit committee of the board of directors include:

- (1) to propose the appointment or replacement of the external audit institution;
- (2) to supervise the internal audit system of the Company and its implementation;
- (3) to handle the communications between internal and external audit;
- (4) to examine the financial information of the Company and its disclosure;
- (5) to check the internal control system of the Company;
- (6) to review the regular reports and financial statements of the Company;
- (7) to give opinion on relevant matters in accordance with the regulatory provisions of the place where the Company's shares are listed;
- (8) other matters authorised by the board of directors.

Article 22 The main duties of the remuneration committee of the board of directors include:

- (1) formulating and making recommendation to the board of directors for remuneration packages or proposals according to various factors such as major scope of work, duties and importance of the management positions of directors and senior management and the level of remuneration for similar positions of other relevant enterprises;
- (2) monitoring the implementation of the remuneration system for directors and senior management of the Company;
- (3) reviewing the performance of duties and conducting annual performance assessment of the Company's directors and senior management and giving advice to the board of directors on the remuneration of directors and senior management;
- (4) formulating and making recommendation to the board of directors for specific remuneration packages (including non-monetary benefits, pension entitlement and compensations) of directors and senior management under the authority granted by the board of directors;
- (5) reviewing and approving the following compensation arrangements to ensure that such compensation is determined in accordance with relevant contractual terms, or where such compensation is not determined in accordance with relevant contractual terms, that such compensation is fair and reasonable: (1) the compensation payable to directors and senior management in connection with any loss or termination of their office; (2) the compensation relating to dismissal or removal of directors for misconduct;
- (6) ensuring that none of the directors or their associates is involved in deciding his own remuneration;
- (7) reporting to the board of directors of the Company the decision of or advice from the remuneration committee;

(8) dealing with other business which requires the remuneration committee to handle and undertaking other tasks as delegated by the board of directors in accordance with the domestic and overseas regulatory requirements.

Chapter 7 Daily Business Of the Board of Directors

Article 23 The senior management of the Company has the responsibility reporting to the board of directors in a timely manner on matters regarding the operation or finance of the Company which may have a considerable impact on the share price of the Company.

Article 24 To ensure that correct decisions are made by the board of directors efficiently, and to protect their rights to be informed, each responsible department and institution of the Company shall promptly inform the administrative office of the board of directors of the relevant documents and information of the matters concerned which require consideration and approval of the board of directors. The administrative office of the board of directors will then submit them to all directors of the Company.

Article 25 All matters considered and approved by the board of directors should be issued in official documents under the name of the board of directors. The documents issued by the board of directors shall be drafted and signed by the responsible departments and then signed by the Chairman for releasing. Where the Chairman of the Board of Directors is unable to sign the document for releasing due to

special reason, he should designate one Vice-chairman to sign it on his behalf.

Chapter 8 System of the Board Meeting

Article 26 The board of directors convenes three (3) regular meetings each year including:

(1) Annual Results Board Meeting

The Company shall convene an annual results board meeting within ninety (90) days from the date on which each financial year ends, to consider the annual results of the Company and related matters.

(2) Interim Results Board Meeting

The Company shall convene an interim results board meeting within sixty (60) days from the date on which the first six months period of each financial year ends, to consider the half-year results of the Company and related matters.

(3) Quarterly Results Board Meeting

The Company shall convene a quarterly results board meeting within thirty (30) days from the date on which the first three months period or the first nine months period of each

financial year ends, to consider the previous quarterly results of the Company and related matters.

The first quarterly results board meeting of each financial year should not be convened earlier than the annual results board meeting of the previous financial year.

Article 27 The Company shall convene an extraordinary board meeting under the following circumstances:

- (1) when the Chairman thinks it is necessary;
- (2) when shareholders which represent over one-tenth of the shareholders interests having voting rights so request;
- (3) when more than one-thirds of the directors so request;
- (4) when the supervisory committee so requests;
- (5) when the general manager so requests;
- (6) when more than one-half of the independent directors so request.

Article 28 In accordance with the previous article, when provisional meeting of the Board is proposed, the administrative office of the Board or the proposer shall directly submit written proposal signed or chopped by proposer to the chairman of the Board. The written proposal shall include the following:

- (1) Name of the proposer;
- (2) Reason or basis of the proposal;
- (3) Time or duration, place and mode of the proposed meeting;

(4) Clear and detailed proposal;

(5) Contact information of the proposer and date of the proposal, etc.

The proposal should be within the powers of the Board as stipulated in the Articles of Association, and should be submitted together with related materials concerning the proposal.

Once the administrative office of the Board receives the above written proposal and the related materials, the administration office must hand it over to the chairman of the Board on the same day. If the chairman is of the view that the contents of the proposal are not clear or detailed enough or the related materials provided are inadequate, the chairman may request the proposer to provide amendments or supplement.

The chairman of the Board shall convene and preside over the meeting within ten (10) days of the receipt of the proposal or the request from the relevant securities governing authorities.

Article 29 As long as all directors can fully express their opinions, a board meeting may be held by way of facsimile, during which resolutions may be passed and signed by participating directors. All such directors shall be deemed to be present in person at the meeting. When the number of directors who have signed and consented to a resolution reaches the number required by the statutory requirements, a valid resolution shall be deemed to have been passed.

Article 30 Directors shall attend the board meeting in person. Where a director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, matters being dealt with, limitation and validity of the authority, which should be signed by the appointor.

A director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director.

Article 31 If a director fails to attend two consecutive board meetings in person and has not appointed another director to attend the board meeting on his behalf, he shall be deemed as unable to perform his duty. The board of directors shall therefore recommend his removal to the shareholders' general meeting.

Article 32 If an independent director fails to attend three consecutive board meetings in person, the board of directors shall recommend his removal to a shareholders' general meeting.

Article 33 The secretary of the board of directors shall attend the board meeting, take minutes of the board meeting and sign thereon.

Article 34 Supervisors and senior management personnel of the Company shall attend the board meeting.

Article 35 Persons who attend the board meeting shall have the obligations to give opinion, recommendation or explanation on matters directly related to the board meeting, but shall not have any voting right.

Chapter 9 Procedures of the Board Meeting

Article 36 Putting forward Proposals

There are five (5) ways to put forward proposals at the board meeting as follows:

- (1) proposals which are within the scope of duty of the board of directors and which are put forward by the Company in accordance with the applicable laws, regulations, regulatory provisions of the place where the Company's shares are listed, and the Company's actual business condition;
- (2) matters proposed by the directors;
- (3) matters proposed by the specialized committees of the board of directors;
- (4) matters proposed by the supervisory committee;
- (5) matters proposed by the general manager;
- (6) matters proposed by shareholders holding over one-tenth of the shares of the Company.

Article 37 Collecting Proposals

The administration office of the board of directors is responsible for collecting the draft proposals, and the relevant departments of the Company have the obligation to provide timely written information and explanation for the proposal concerned. The administration office, having organised the relevant information, then prepares an agenda for the proposed board meeting together with proposed time and place of the meeting and submits the same to the Chairman for review.

Article 38 Convening the Meeting

The Chairman is responsible to decide whether to convene a board meeting. Where the Chairman is unable to perform his duty due to special reason, he may designate one Vice-chairman to decide whether to convene a Board Meeting.

Article 39 Notice of the Meeting

Having decided to convene a board meeting, the administration office of the board of director is responsible to send the notice of the meeting to all directors, supervisors and senior management.

A notice of meeting shall contain the following information:

(1) Date and place of the meeting; (2) Duration of the meeting; (3) Main content and subject of the meeting; (4) Date of the notice.

Notice of regular board meeting shall be sent to the directors of the Company and persons attending the meeting fourteen (14) days prior to the date of the meeting. Notice of

extraordinary board meeting shall be sent to the directors of the Company and persons attending the meeting three (3) days prior to the date of the meeting.

Notice of board meetings shall be delivered in person, by facsimile, by express delivery service, by e-mail or by registered mail.

If a director is present at the meeting and has stated, before attending the meeting or before the beginning of the meeting, that he has not received the notice of meeting, it shall be regarded that the notice of meeting has been sent to him.

Article 40 Alteration to the notice of the meeting

Once the written notice of periodic meeting of the Board is sent, in case there are alterations to the time and place of the meeting, or any addition, alteration or cancellation of the proposal, the alteration notice should be sent three days before the original scheduled date of the meeting, stating the altered particulars and the contents of the new proposal and related materials. If the alteration notice is sent less than three days before the original date of meeting, the meeting should be postponed accordingly unless the written approval from all the directors is obtained, in which case the meeting may be held at the original time.

Once the notice of the provisional meeting of the Board is sent, in case there are alterations to the time and place of the meeting, or any addition, alteration or cancellation of the proposal, the approval from all the directors present must be obtained and duly recorded.

Article 41 Preparing Proposals

Matters which shall be proposed, in the names of the Company and general manager, to the board of directors for consideration should be formed into proposals by the relevant responsible departments designated by the Chairman of the board of directors or general manager in accordance with the subject matter of the meeting as well as the principle applied within the business scope of each department of the Company.

Relevant matters directly proposed by the directors of the Company shall be notified to the administration office of the board of directors twenty (20) days before the board meeting being held. Proposals formed by the administration office shall be submitted to the directors concerned for review and be included in the recommended agenda of the meeting by the administration office.

Matters proposed by the specialised committees of the board of directors or supervisory committee to the board of directors for consideration shall be formed into proposals by their subordinate institutions.

When proposals are formed, the administration office of the board of directors has the obligation to inform the relevant responsible departments about the operational requirements of listed companies, requirements of the proposals and regulatory provisions etc., in order to get their coordination and support.

Proposals of the board meeting put forward by each department shall be submitted to the administration office of the board of directors eight (8) days before date of the board meeting. The administration office is responsible to collate and organise the proposals where

it needs other departments to provide related explanation and information of the proposals must promptly make such request in writing.

The administration office of the board of directors is responsible to submit proposals and information to be discussed at the board meeting to the directors of the Company for review five (5) days prior to a regular board meeting; and three (3) days prior to an extraordinary board meeting.

When more than two independent directors consider that the information provided is insufficient or the argument is not clear, they may request in joint names supplement information for the board meeting, propose to adjourn the meeting or adjourn part of the proposal under discussion. The board of directors shall accept their requests under these circumstances.

Article 42 Convening the Meeting

The administration office of the board of directors is specifically responsible for organizing the board meeting and arranging for the administration of the board meeting.

Meetings of the Board shall be held only if more than half of the directors (including any alternate director appointed to attend the meeting pursuant to the provisions of the Articles of Association of the Company) are present.

The chairman of the Board shall preside over the board meeting. When the chairman is unable to preside over the meeting due to special reasons, he may appoint one vice-chairman

to preside over the meeting. When the vice-chairman is unable to preside over the meeting due to special reasons, the meeting may be presided over by a director elected by more than one-half of all the directors.

Article 43 Meetings of the Board should be principally held with the directors present in person. If necessary, and conditional upon safeguarding the full expression of opinion by the Directors, and upon the approval of the convener and the proposer, the meeting can be held by video conference, telephone, facsimile or email. The meeting of the Board can also be held with the directors present in person as well as other ways concurrently.

In case the directors are not present in person, the number of the directors present at the meeting can be calculated according to the number of directors present as shown in the video conference, the number of directors who put forward their opinions in the telephone meeting, the votes received by fax and emails within a specified time, or the number of directors who submit the written confirmation letter after the meeting.

Article 44 Considering Proposals

The meeting of the Board shall consider each proposal one by one.

Directors may request the proposer, person in-charge of the relevant department or other relevant professionals to attend the meeting and produce reply, explanation and further relevant information in response to the inquiries raised by the directors.

For the proposals that require prior approval of the independent directors, the chairman of the meeting should explain to the directors present or designate an independent director to read the written approval of the independent directors before discussing the proposal.

Unless the consent from all the directors present at the meeting is obtained, the meeting of Board shall not vote on proposals which are not included in the notice of meeting.

Article 45 Independent directors shall express their independent opinions to the Board in respect of the following matters:

- (1) Nomination, appointment and dismissal of directors;
- (2) Appointment or dismissal of senior management personnel;
- (3) Remuneration of the Company's directors and senior management personnel;
- (4) Existing or new loans or other transactions involving funds which are substantial (determined in accordance with the standards set by the regulatory authorities of the place where the Company's shares are listed from time to time) between the Company and the Company's shareholders, persons in actual control of the Company and their affiliates, and whether the Company has taken effective measures to recover the moneys owed to it;
- (5) Plan for profit distribution in cash that has not yet been formulated by the Board;
- (6) Actions that, in the opinion of the independent directors, may prejudice the interests of minority shareholders;
- (7) Other matters specified by the Articles of Association.

The independent directors should express one of the following views on the aforesaid matters:

- (1) Consent;
- (2) Reservation with the reasons thereof;
- (3) Objection with the reasons thereof;
- (4) Inability to express their opinions and the impediments thereto.

Article 46 Expressing Opinions

The directors should independently and prudently express their opinions after carefully reading the materials of the meeting and having a full understanding of the situation.

The directors can obtain relevant information from the administration office of the Board, convener of the meeting, managers and other senior management personnel, any special committee, accounting or legal advisors before the meeting of Board. The directors can recommend to the chairman of the meeting to invite the above personnel and agents representatives explain some information concerning at the meeting.

Article 47 Voting at the Meeting

The meeting of the board of directors votes on each proposal one by one. The directors who attend the meeting must either vote in favour of or against the proposal or abstain from voting.

Where a director is unable to attend a board meeting and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Voting in the board meeting may be by show of hands or by poll. Each director shall have one (1) vote. Where there is an equality of votes casted for and against a resolution, the Chairman of the board of directors shall have an additional vote.

Article 48 Formulation of the Resolution

Except as otherwise stipulated in these rules, a proposal can be approved and a resolution can be passed in a meeting of the Board by more than half or two-thirds of all the directors of the Company. In case where a higher majority is required by the laws, administrative regulations and the Articles of Association, such laws, administrative regulations and provisions of the Articles of Association shall apply.

Where there are discrepancies between resolutions, the latter in time prevails.

Article 49 Abstaining from Voting

In the following conditions, the directors should abstain from voting:

- (1) The regulations in the place where the Company is listed require that the directors should abstain from voting in the board meeting;
- (2) The director is of the view that he should abstain from voting;
- (3) The director is connected to the a party to the transaction in question and is required by the Articles of Association to abstain from voting.

In case a director abstains from voting, the meeting of Board can still be held if one-half of the directors who are not connected to the other party of the transaction in question attend the meeting. The resolution can be approved by one-half of the directors who are not connected to the other party of the transaction. When the present non-connected directors is less than three, the Board is not allowed to vote on that item, and this item should be submitted to shareholders' meeting for consideration and approval.

Article 50 Not Exceeding Authority

The Board shall perform its duties according to the shareholders' meeting and Articles of Association and is not allowed to act beyond its authority to produce resolutions.

Article 51 Resolution of the Meeting

Resolutions passed for matters being considered by the board of directors shall be confirmed and signed by the directors participating in the board meeting.

Article 52 Implementation of the Resolution

The chairman shall procure the relevant personnel to put the resolution of the meeting of Board into effect, examine the implementation of the resolution and announce the progress of such implementation in the meeting of Board.

Chapter 10 Disclosure of Information for the Resolutions of the Board Meeting

Article 53 Resolutions of the board of directors shall be submitted to the Shanghai Stock Exchange within two (2) trading days after the board meeting.

Article 54 Resolutions of the board of directors which concerns matters that require to be voted on by the shareholders' general meeting or matters that are required to make announcements as provided by the "Listing Rules" of the Shanghai Stock Exchange and Stock Exchange of Hong Kong, should be disclosed in a timely manner. Resolutions which are considered by the Shanghai Stock Exchange and Stock Exchange of Hong Kong as necessary to be disclosed shall also be disclosed in a timely manner.

Prior to the announcement of the resolution, the directors and other personnel present at the meeting, recorders and service personnel shall keep the content of the resolution confidential.

Article 55 Resolutions of the board of directors shall be disclosed simultaneously in places inside and outside the PRC where the Company's shares are listed.

Article 56 In case of matters requiring prior approval of or independent opinion expressed by the independent directors, the Company shall make public announcement of the independent director's opinion. If the independent directors fail to reach a consensus in their opinion, the board of directors shall disclose each independent director's respective opinion.

Article 57 Announcement regarding the resolutions of the board of directors should be published in Chinese in at least one (1) domestic newspaper designated by securities authority of the State Council for disclosure of information; and in both Chinese and English in Hong Kong's newspapers.

Article 58 Resolutions of the board meeting and disclosure document should be submitted and filed with the competent securities authorities under the State Council and the local representative office of the competent securities authorities under the State Council as required.

Chapter 11 Minutes of the Board Meeting

Article 59 The board of directors shall keep minutes of resolutions passed at the board meeting. The secretariat of the board of directors is responsible to take minutes at the board meeting.

Article 60 Minutes of the meeting shall include the following:

- (1) Date, time, place and form of this meeting;
- (2) Dispatch of the notice of meeting;
- (3) Convener and chairperson of the meeting;
- (4) The participating directors and proxies;
- (5) Details of the procedures of the meeting;
- (6) The proposals considered at the meeting and main points of any directors' speech and voting tendency;

(7) Voting method for each matter and result (specifying the number of votes for and against and abstentions);

(8) Other items that the directors consider should be recorded.

Article 61 Signature of Directors

The directors present at the meeting shall confirm and procure their proxies to confirm by signing on the minutes and records of the meeting of the Board. Where the directors have different opinions on the minutes and records of the meeting, they can make a written note when signing. If necessary, the directors should report to the supervisory department promptly or make a public announcement. Unless they do so, the directors are regarded to have fully approved the minutes and records of the meeting.

Article 62 The draft minutes should be ready for review by the directors attending the meeting within three (3) business days after every board meeting.

Directors who wish to supplement or amend the minutes shall send their comments to the secretariat of the board of directors within five (5) business days after receiving the minutes.

The minutes should be finalized within ten (10) business days after the board meeting. The minutes shall be signed (including signing by way of facsimile) by the directors present at the meeting, the secretary of the Board and the person who recorded the minutes. The administration office of the board of directors shall send a complete copy of the minutes to each director as soon as possible.

Article 63 The files of meetings of the Board, including notice and materials of the meeting, attendance register, instruments appointing the proxy, record material, votes, and the minutes, resolutions and announcements that have been signed by directors present should be kept by the secretary of the Board.

The files of the meetings of the Board shall be kept for at least ten (10) years.

Directors of the Company have the right to inspect the aforesaid materials of the board meeting.

Chapter 12 Supplementary Provisions

Article 64 These rules of meetings drafted by the board of directors shall be effective and implemented after being approved at the shareholders' general meeting.

Article 65 Any matter which has not been adequately provided in these rules or when these rules are inconsistent with the applicable laws, administrative statutes and the regulatory provisions of the place where the Company's shares are listed, the laws, statutes and the regulatory provisions of the place where the Company's shares are listed shall prevail.

Article 66 In these rules, reference to "above", "below" a number includes that number, and reference to "exceed" a certain number does not include that number.

Article 67 The board of directors of the Company has the right to interpret these rules of meetings, which are to be amended by the shareholders' general meeting.