



# 江西銅業股份有限公司 JIANGXI COPPER COMPANY LIMITED

*(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 0358)

## TERMS OF REFERENCE FOR THE INDEPENDENT AUDIT COMMITTEE (THE AUDIT COMMITTEE) OF THE BOARD (amended on 28 August 2025)

### CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to strengthen the supervisory function of the Independent Audit Committee (the Audit Committee) of the board of directors (the **“Board”**) of Jiangxi Copper Company Limited (the **“Company”**) and to ensure that the members of the Independent Audit Committee (the Audit Committee) can perform their duties diligently and faithfully, the Company has formulated these terms of reference in accordance with the relevant laws and regulations including the China Securities Regulatory Commission and the listing rules of the stock exchanges where the shares of the Company are listed (the **“Listing Rules”**) from time to time, and the Articles of Association of Jiangxi Copper Company Limited (the **“Articles of Association”**) and other relevant provisions.

The Independent Audit Committee (the Audit Committee) is a special committee under the Board and shall consist of four members, all of which shall be appointed by the Board among the independent non-executive directors. All members shall have professional knowledge and business experience competent for the performance of the duties of the Independent Audit Committee (the Audit Committee), among which, at least one of the members shall be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Independent Audit Committee (the Audit Committee) shall be accountable to the Board to exercise the duties of the Supervisory Committee as required by the Company Law of the People's Republic of China (the **“Company Law”**). and be responsible for reviewing and monitoring the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal control, etc.

**Article 2** A former partner of the current auditing firm responsible for auditing the Company's account shall not be a member of the Independent Audit Committee (the Audit Committee) for a period of 2 years from the following date (whichever is later):

- (a) the date on which the person ceased to be a partner of the firm; or
- (b) the date on which the person ceased to have any financial interest in the firm.

**Article 3** The chairman (convener) of the Independent Audit Committee (the Audit Committee) shall be appointed by the Board and must be an independent non-executive director, who shall be an accounting professional. The chairman (convener) of the Independent Audit Committee (the Audit Committee) or, in his absence, another member of the Independent Audit Committee (the Audit Committee), or if such member is unable to attend, his duly appointed representative, shall attend the annual general meeting and be prepared to respond to questions at the annual general meeting about the Independent Audit Committee's (the Audit Committee's) functions and responsibilities. The Independent Audit Committee (the Audit Committee) shall have one chairman (convener), who shall be responsible for chairing the Committee.

**Article 4** The secretary office of the Board is the liaison body of the Independent Audit Committee (the Audit Committee), which is responsible for arranging meetings of the Independent Audit Committee (the Audit Committee); communicating and coordinating with external auditors and reporting to the Independent Audit Committee (the Audit Committee) of the work progress.

## **CHAPTER 2 PERFORMANCE OF WORK DUTIES OF THE INDEPENDENT AUDIT COMMITTEE (AUDIT COMMITTEE)**

- Article 5**      The Independent Audit Committee (the Audit Committee) is authorised by the Board to investigate activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Independent Audit Committee (the Audit Committee).
- Article 6**      The manner of performance of the duties of the Independent Audit Committee (the Audit Committee) is to form opinions through resolutions at regular and interim meetings, and review of financial and relevant information. Engagement of intermediaries to carry out its required investigations and to provide professional advice can be made if necessary.
- Article 7**      The duties of the Independent Audit Committee (the Audit Committee) shall be:
- (1)              To examine the annual internal auditing plan of the Company;
  - (2)              To monitor the internal auditing system of the Company and its implementation; to review the financial information of the Company, its disclosures and the interim and annual financial statements prior to the submission to the Board;
  - (3)              To monitor the appointment and removal of the person-in-charge of the Company's internal auditing department and provide relevant advice;

- (4) To review and monitor the external auditor's professionalism, independence and objectivity of the audit process in accordance with applicable standards, in particular, the impact on their independence imposed by the non-audit services provided by the external auditors and the effectiveness of the audit procedures. The Independent Audit Committee (the Audit Committee) should discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences. Where the Board disagrees with the Independent Audit Committee's (the Audit Committee)'s view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the corporate governance report a statement from the Independent Audit Committee (the Audit Committee) explaining its recommendation and also the reason(s) why the Board has taken a different view;
- (5) To develop and implement policy on the provision of non-audit services by external auditors (for this purpose, an external auditor includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally);
- (6) To be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and handling all matters regarding its resignation or dismissal;
- (7) To act as the key representative body for overseeing the Company's relations with the external auditor;
- (8) To monitor the completeness of the Company's financial statements and annual reports and accounts, interim reports and quarterly reports, and to review the major opinions contained in the statements and reports regarding financial reporting. The members of the Independent Audit Committee (the Audit Committee) shall liaise with the Board, senior management and the qualified accountant of the Company. The Independent Audit Committee (the Audit Committee) shall hold at least two separate meetings per year with external auditors of the Company and internal auditors (if any) without the participation of the management. The secretary to the Board may attend the meeting. The Independent Audit Committee (the Audit Committee) should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officers or auditors;

- (9) To review the Company's financial reporting, financial controls, internal control and risk management systems, and examine the Company's internal control system;
- (10) To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective risk management and internal control systems; such discussion should include the adequacy of resources, staff qualifications and experience, training programmes received by the staff and budget of the Company's accounting and financial reporting function;
- (11) To study major investigation findings on risk management and internal control matters, and management's response to these findings on its own initiative or as delegated by the Board;
- (12) To be responsible for the communication between internal auditors and external auditors to ensure coordination between the internal and external auditors, and to ensure that the internal audit function has sufficient resources to operate and has appropriate standing within the Company, and to review and monitor the effectiveness of internal auditing functions;
- (13) To review the financial and accounting policies and practices of the Company and its subsidiaries;
- (14) To review the external auditor's management letter, any material queries raised by the auditor to the management about accounting records, financial accounts or systems of control and management's response;
- (15) To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (16) To report to the Board on the matters set out in the Code on Corporate Governance Practices in Appendix C1 to the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited";
- (17) To supervise and evaluate whether the external auditors have exercised all diligence and care while performing their duties;

- (18) To guide internal audit work;
- (19) To review the following arrangements set by the Company: employees of the Company can, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters; to ensure that proper arrangements are in place so that the Company can conduct fair and independent investigation of these matters and take appropriate follow-up action;
- (20) To review the financial reports of the Company and express their opinions thereon;
- (21) To monitor any acts of directors and senior management of the Company in their performance of duties, and to propose dismissal of any directors and senior management who violate the laws, regulations, the Articles of Association or any resolutions of general meetings;
- (22) To request rectification from directors and senior management of the Company when the acts of directors and senior management prejudice the Company's interest;
- (23) To propose convening extraordinary general meeting(s); and to convene and chair general meeting(s) in case the Board fails to fulfil the obligations to convene and chair general meeting(s);
- (24) To submit resolution(s) to the general meeting(s);
- (25) To institute lawsuit against the directors and senior management according to the relevant provisions of the Company Law and the Articles of Association;

- (26) To supervise the performance of information disclosure duties by the directors and senior management of the Company, and pay close attention to the information disclosure of the Company;
- (27) To handle other matters authorised by the Board and other matters involved in the relevant laws and regulations; and
- (28) To study other topics, as defined by the Board.

**Article 8** The following matters shall be submitted to the Board for consideration after being approved by more than half of all members of the Independent Audit Committee (the Audit Committee):

- (1) disclosure of financial information in financial and accounting reports and periodic reports, and evaluation reports on internal control;
- (2) appointment or dismissal of accounting firms undertaking audit business of the Company;
- (3) appointment or dismissal of the person in charge of finance of the Company;
- (4) changes in accounting policies and accounting estimates made for reasons other than changes in accounting standards, or corrections of material accounting errors;
- (5) other matters as stipulated in laws, administrative regulations, rules of the China Securities Regulatory Commission and the Articles of Association.

**Article 9** The Independent Audit Committee (the Audit Committee) shall negotiate and confirm the audit plan on annual financial report, audit work schedule and arrangements for the audit staffing with the external auditors of the Company.

- Article 10** The Independent Audit Committee (the Audit Committee) shall supervise the external auditors to submit the first draft, finalized version and its electronic version of the audit (including review) reports within the agreed time frame, and shall record the method, frequency and result of supervision in the form of written comments, with signature of the related person in charge for confirmation.
- Article 11** The Independent Audit Committee (the Audit Committee) shall, before the external auditors are engaged to audit the annual report of the Company, review the financial and accounting statements and financial accounts prepared by the Company, and review material matters in relation to financial reporting as set out in the statements and reports by way of interim meetings or circulation of information and form their opinions in writing.
- Article 12** The Independent Audit Committee (the Audit Committee) shall review and monitor the work of the internal audit department of the Company, and review various audit reports and the plan and status of rectification on the audit problems submitted by the internal audit department to the management.
- Article 13** The duties of the Independent Audit Committee (the Audit Committee) to review the financial reports of the Company and to give opinions thereon shall include at least the following aspects:
- (1) to review the financial reports of the Company and give opinions on the truthfulness, completeness and accuracy of the financial reports;
  - (2) to focus on significant accounting and audit matters of the financial reports of the Company, including adjustments to material accounting errors, changes in significant accounting policies and estimates, issues involving significant accounting judgments, and matters resulting in non-standard unqualified audit reports;
  - (3) to pay special attention to the possibilities of fraud, corrupt practice and material misstatements relating to financial reports;
  - (4) to supervise the rectification of financial reporting matters.



**Article 14** Before submitting the relevant statements and reports to the Board, the Independent Audit Committee (the Audit Committee) should focus on reviewing the following matters:

- (1) any changes in accounting policies and practices;
- (2) areas involving material judgements;
- (3) significant adjustments resulting from audit;
- (4) the going concern assumptions and any qualifications;
- (5) compliance with accounting standards; and
- (6) compliance with the Listing Rules relating to financial reporting.

**Article 15** Regarding Article 14 above:

- (1) members of the Independent Audit Committee (the Audit Committee) should liaise with the Board and senior management and the Independent Audit Committee (the Audit Committee) shall meet, at least twice a year, with the Company's auditors; and
- (2) the Independent Audit Committee (the Audit Committee) should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors.

- Article 16** The Independent Audit Committee (the Audit Committee) shall evaluate the effectiveness of internal control, and the relevant duties shall include at least the following aspects:
- (1) to evaluate the adequacy of the design of the internal control system of the Company;
  - (2) to review the self-evaluation reports on internal control;
  - (3) to review the internal control audit reports issued by external auditors, as well as the matters and improvement measures formulated after communication with the external auditors; and
  - (4) to evaluate the internal control assessment and audit results, and supervise the rectification of deficiencies in internal control.
- Article 17** The Independent Audit Committee (the Audit Committee) shall, after the annual external auditors commence their auditing assignment, maintain the communication with the external auditors. After the draft audit report is issued by the external auditors, the Committee shall review again the financial statements of the Company by way of interim meetings or circulation of information, review and monitor whether the external auditors are independent and objective and whether the audit procedures are effective in accordance with applicable standards, and form their opinions in writing.
- Article 18** If there is provision of non-auditing services to the Company by the external auditors, the Independent Audit Committee (the Audit Committee) shall discuss with the external auditors on the nature and scope of the non-auditing services and relevant obligations, work schedule and arrangements on staffing with the external auditors of the Company prior to the commencement of the non-auditing services.
- Article 19** The Independent Audit Committee (the Audit Committee) shall report to the Board the measures that must be adopted or improvements as it thinks fit, and put forward relevant advices. Resolutions and voting results passed by the Independent Audit Committee (the Audit Committee) shall be reported to the Board in writing.

### **CHAPTER 3 MEETINGS OF THE INDEPENDENT AUDIT COMMITTEE (AUDIT COMMITTEE)**

- Article 20** Unless otherwise agreed by all the members of the Independent Audit Committee (the Audit Committee), a meeting of the Independent Audit Committee (the Audit Committee) shall be convened by giving at least seven (7) days' notice. A member may and, on the request of a member, the secretary shall, at any time summon a meeting. Notice shall be given to each member, at least seven (7) days before the date of the meeting, orally in person or in writing or by telephone or by email or by telex or telegram or facsimile transmission at the telephone number or email address or facsimile number or address from time to time notified to the secretary by such member or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing. Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members at the meeting.
- Article 21** Meetings of the Independent Audit Committee (the Audit Committee) comprise regular meetings and interim meetings, which shall be convened and chaired by the convener of the Independent Audit Committee (the Audit Committee).
- When the convener of the Independent Audit Committee (the Audit Committee) fails or refuses to perform the duties, a member shall be designated to perform the duties instead.
- Article 22** The Independent Audit Committee (the Audit Committee) shall convene at least one meeting each quarter.
- The Independent Audit Committee (the Audit Committee) may also convene interim meetings when needed. An interim meeting may be convened when it is requested by two or more members of the Independent Audit Committee (the Audit Committee) or the convener of the Independent Audit Committee (the Audit Committee) deems it necessary.
- Article 23** The meetings of the Independent Audit Committee (the Audit Committee) shall be held only with the presence of more than two thirds of the members.

- Article 24** Subject to Article 32 of this terms of reference, review opinions put forward by the Independent Audit Committee (the Audit Committee) to the Board shall be passed by a majority of all members. In the event of the avoidance of the members of the Independent Audit Committee (the Audit Committee), to the effect that review opinions proposed in the meeting cannot be effectively formed, the Board shall directly proceed to review the related matters.
- Article 25** The members of the Independent Audit Committee (the Audit Committee) shall attend meetings in person, and give definite opinions on the issues to be reviewed. When a member of the Committee fails to attend the meeting, he/she may submit the authorisation letter signed by him/her to entrust another member to attend the meeting and give opinions on his/her behalf. The authorisation letter shall clearly specify the scope and period of authorisation. Each member can accept the entrustment of a maximum of one member.
- Article 26** The Independent Audit Committee (the Audit Committee) may invite the representatives of external auditors, internal audit officers, financial officers, legal advisers and other relevant personnel to attend the meetings of the Committee and to provide necessary information when it deems necessary.
- Article 27** The company secretary shall be the secretary of the Independent Audit Committee (the Audit Committee). If the secretary of the Independent Audit Committee (the Audit Committee) is not able to attend the meeting, his/her representative or any one member of the Independent Audit Committee (the Audit Committee) shall be the secretary of the meeting of the Independent Audit Committee (the Audit Committee).
- Article 28** Minutes shall be prepared for the meetings of the Independent Audit Committee (the Audit Committee). Members of the Committee and related personnel who attend the meetings shall sign their names on the minutes. Full minutes of Independent Audit Committee (the Audit Committee) meetings should be kept by a duly appointed secretary of the meeting and the secretary office of the Board. Draft and final versions of the minutes of the Independent Audit Committee (the Audit Committee) meetings should be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.

- Article 29** A written report shall be lodged with the Board on the review opinions passed at the meetings of the Independent Audit Committee (the Audit Committee). The secretary of the Independent Audit Committee (the Audit Committee) or his/her representative shall circulate the minutes of meetings and reports of the Independent Audit Committee (the Audit Committee) to all members of the Board.
- Article 30** All persons attending the meeting shall be bound by confidentiality obligations regarding the matters considered at the meeting, and shall not disclose the relevant information without authorisation.
- Article 31** Any member of the Independent Audit Committee (the Audit Committee) who has the interest in any agenda item shall withdraw from the meeting.
- Article 32** Each member of the Independent Audit Committee (the Audit Committee) shall have one vote. The resolutions of the meetings shall be passed by more than half of all the members.
- Article 33** The procedures for convening meetings, the method of voting and resolutions passed at the meetings of the Independent Audit Committee (the Audit Committee) shall comply with relevant laws and regulations as well as the Articles of Association and these terms of reference.
- Article 34** The Independent Audit Committee (the Audit Committee) should be provided with sufficient resources to perform its duties.

#### **CHAPTER 4 SUPPLEMENTARY PROVISIONS**

- Article 35** These terms of reference should be posted on the websites of the Company and the stock exchange where the shares of the Company are listed, and will be made available upon request.
- Article 36** These terms of reference shall come into effect on the date of the consideration and approval by the Board.

- Article 37** Any matters not provided for in these terms of reference shall be implemented in accordance with relevant state laws and regulations and the Articles of Association. If these terms of reference conflict with any laws or regulations subsequently promulgated by the state or with the Articles of Association as amended pursuant to lawful procedures, they shall be implemented in accordance with the relevant state laws and regulations, the Listing Rules and the Articles of Association, and shall be promptly amended and submitted to the Board for consideration and approval.
- Article 38** For the purposes of these terms of reference, the terms “not less than”, “within”, “not more than” are all inclusive terms while “exceeding”, “not exceeding”, “excluding”, “less than” and “more than” are exclusive terms.
- Article 39** These terms of reference shall be interpreted by the Board.