

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF JL MAG RARE-EARTH CO., LTD.

Article 1 JL MAG RARE-EARTH CO., LTD. (the “**Company**”) has formulated this code in accordance with the PRC Company Law, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of JL MAG RARE-EARTH CO., LTD. that is applicable after the issuance and listing of H shares (the “**Articles of Association**”) and other relevant provisions of laws, regulations and regulatory documents.

Article 2 Pursuant to Rules 13.70 and 13.74 of the Hong Kong Listing Rules, the Company shall:

(1) publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the shareholders’ general meeting where such notice is received by the Company after publication of the notice of shareholders’ general meeting;

(2) include in the announcement or supplementary circular the particulars of such person proposed to be elected as a director required to disclose under Rule 13.51(2) of Hong Kong Listing Rules;

(3) publish such circular not less than 10 business days before the date of the relevant shareholders’ general meeting; and

(4) assess whether or not it is necessary to adjourn the meeting of electing director to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

Article 3 Shareholders individually or collectively holding 3% or more of the Company’s shares may submit extra proposed resolutions to the Board of Directors in writing 10 days prior to the Shareholders’ general meeting.

Article 4 Shareholders individually or collectively holding not less than 10% of voting shares may request the Board of Directors to convene an extraordinary general meeting to nominate a candidate for the position of director by signing one or several written requests with the same format and contents.

Article 5 The Company shall set aside a period of time before convening the meeting in respect of candidate nominated by shareholders taking up the role of directors. Within this period, shareholders may issue a written notice to the Company in respect of nominating a candidate to be a director, and such candidate may issue the written notice regarding the indication of his/her intention to accept the nomination to the Company. The aforementioned period shall be at least seven (7) days and shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.

Article 6 If a qualified shareholder wishes to nominate a candidate to the Board of Directors through the above methods for the Board of Directors to consider nominating such candidate for the position of director at the shareholders' general meeting, the relevant shareholders must send a written notice to the Company and despatch the notice to the Company's headquarters or the place of business in Hong Kong.

Article 7 Each notice of nomination shall contain the following information about each candidate:

(I) The name, age, telephone number, business address and residential address (if known) of the candidate;

(II) Full biographical information of the candidate, which shall include the particulars required by Rule 13.51(2) of the Hong Kong Listing Rules;

(III) The qualifications of the candidate in respect of serving as a director, which shall be listed in writing;

(IV) Any other information reasonably necessary to determine the candidate's eligibility for election as a member of the Board of Directors;

(V) A written statement signed by the candidate stating that he/she agrees on proposed nomination to the Board of Directors and serving as a director (if elected).

Article 8 Each notice of nomination shall also contain the following information about the recommending shareholder:

(I) The name and address of the relevant shareholder (whose name appears in the register of members of the Company) or other evidences certifying that he/she is a shareholder, and the telephone number of the relevant shareholder;

(II) The class and number of shares of the Company beneficially owned by the relevant shareholders as at the date of the recommendation letter, and the period of holding such shares;

(III) A written statement from the recommending shareholder specifying (i) the candidate's position as an executive or non-executive director of the Board of Directors; and (ii) the reasons for the shareholder believing the candidate is capable of performing the director's duties.

Article 9 The Company may require any candidate to provide other information reasonably necessary to determine whether the candidate is qualified to serve as a director. The Company may also require to have an interview with the candidate if the Board of Directors requires to do so at its discretion.

Article 10 These procedures have been considered and approved by the Board of Directors of the Company, and will take effect on the day when the overseas listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited.

JL MAG RARE-EARTH CO., LTD.
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