**Appendix 3**

**China** **Shenhua Energy Company Limited**

**Business Ethics Policy**

**(Trial)**

**Article 1** To ensure that China Shenhua Energy Company Limited (hereinafter referred to as the “Company”) conducts business activities in the spirit of integrity and fairness and prevents improper behaviors under the premise that the Company complies with all applicable laws and regulations of the place of operation of the Company, the policy is hereby made in accordance with rules and policies such as *Policy on Preventing Insider Trading of China Shenhua Energy Co., Ltd.* and the highest business ethics standards and by taking the real situations of the company into consideration.

**Article 2** The policy is applicable to full-time, part-time, and temporary employees of the head office and branches, wholly-owned subsidiaries, and controlled subsidiaries of the Company (hereinafter collectively referred to as “Employees”), as well as people from suppliers, contractors, and service providers for the Company (hereinafter collectively referred to as “Suppliers”). Equity investment entities of the Company may execute by reference to this policy.

**Article 3** The Audit and Risk Committee under the Board of Directors is in charge of review and supervision of any matters in relation to business ethic elaborated in this policy.

**Article 4** The Company shall routinely review and supervise the business ethics standards of the Company, including that of suppliers as well as its implementation thereof, at least twice per year.

**Article 5** To avoid unfair treatment or conflict of interest, the Company prohibits any person from taking advantage of their position to gain dubious interests. All information regarding businesses, customers, Suppliers, and Employees of the Company shall be kept confidential and their privacy shall be strictly protected.

**Article 6** The Company prohibits Employees from offering, soliciting or accepting bribes to/from customers, Suppliers, or people from any administrative institution or people who has any transaction with the Company, or providing, soliciting or accepting any interests as third-party intermediaries, irrespective whether consent is obtained from a supervisor. Soliciting or accepting any form of dubious interest by any person in the Company through taking advantage of their position constitutes violation to this policy.

**Article 7** The Company prohibits Employees from accepting interests directly or indirectly related to businesses of the Company so that the following misbehaviors by employees will be avoided:

Making non-objective judgments and improperly dealing with relevant businesses;

Inducing Employees to violate or damage interests of the Company, resulting in violation of laws and regulations and the supervision rules of the place of listing;

Triggering impartiality or complaints for improper behaviors;

Causing Employees to feel obliged to repay benefit-providers in the business.

**Article 8** Any employee shall timely report any conflict of interests between the employee and the Company, either existing or highly possible.

**Article 9** Conflicts of interests commonly seen referred to in the policy include but are not limited to:

1. Financial interests or transactions with any supplier or related people who have a business relationship with the Company that are not declared in advance;
2. For personal reasons, the employee offers preferential treatment to a specific supplier, client, job seeker, subordinate, superior, and so on;
3. Employees or immediate family members thereof (including parents, children and spouses) are participating in or considering participation in investments or activities that have conflicts of interests with the Company;
4. During working hours, engage in activities irrelevant to his/her work position in the premise of the Company and taking advantage of Company assets (including human resources);
5. Provide competitors of the Company with public or private assistance or provide services or commodities that compete with the Company.

**Article 10** The Company prohibits Employees from giving gifts to customers or interested parties, which might cause outsiders to have the above misunderstandings. Unless approved by the Company, Employees shall not provide any business entertainment to customers or business partners. The Company prohibits Employees and family members thereof from accepting gifts or any valuable items and business entertainment by customers or business partners, irrespective of whether the counterparts have the intention or not to affect the business decisions of the Company.

**Article 11** The Company prohibits Employees or their immediate family members thereof from providing loans or loan guarantees to superiors, subordinates or any individuals or institutions having business contact with the Company, accepting loans from such individuals or institutions, or receiving loans through assistance of such individuals or institutions.

**Article 12** The Company prohibits any fraudulent activities. Fraud referred to in the policy means stealing resources of the Company or using false statements or untrue or deceptive means to obtain interests from any person or cause others to suffer from loss. Scope of fraud includes but is not limited to improperly using and (or) discarding any equipment and other materials without due authorization, making cheating financial claims, fabricating financial or non-financial data or records, and providing false records and data for personal or resale purposes, and even stealing articles, money, services and the like. Making false records, such as intentionally and unfaithfully reporting profit, turnover or operating expenses, personal data, etc., may be deemed as fraud.

**Article 13** The Company prohibits Employees from using properties or materials of the Company for improper or illegal purposes, including time, human resources, funds, vehicles, computers, materials, equipment and facilities, consumables, and the like. Employees are obliged to appropriately use properties and materials of the Company and timely report any loss, damage, or improper or illegal uses so that mitigating countermeasures could be taken.

**Article 14** The Company actively carries out anti-money laundering campaigns. The Company prohibits Employees from participating in any money laundering conspiracy, falsely reporting the money amount, deliberately and illegally evading taxes, or providing financial support to terrorism or other illegal criminal activities. Employees shall have a sound understanding of customers through a legal background investigation to reduce the risk of being involved in money laundering.

**Article 15** The Company forbids the insider trading. The Company shall sign Non-disclosing agreements (NDAs) or promises to keep confidentiality with insiders based on actual work needs and keep the number of insiders as minimum as possible; insiders must not use internal information to trade stocks of the Company, release internal information or advise others to buy & sell stocks of the Company; all departments and units in charge of organizing the insider registration shall remind relevant personnel about laws and regulations in insiders, and make a second reminder of relevant regulations during the existence of internal information.

**Article 16** As per relevant securities regulation requirements or instructions from the Company, all departments and units of the Company shall organize relevant insiders to conduct self-inspection of stocks of the Company traded by individuals during relevant periods, faithfully report and confirm in writing the trading records, and shall ensure the authenticity, accuracy, and integrity of the information reported.

**Article 17** In case Employees of the Company use internal information to trade stocks, release internal information or advise others to use internal information to trade stocks, causing serious impact or loss to the Company, the Company will punish relevant responsible persons according to the seriousness of the situation or reserve the right to hold them accountable thereof; if such activities constitute crimes, they will be transferred to relevant judicial authority for criminal liabilities thereof.

**Article 18** The Company prohibits Suppliers from implementing or tolerating any form of corruption, extortion, embezzlement or money laundering, including offering or accepting bribes to/from interested parties under any circumstance, or providing or accepting other illegal benefits (e.g., kickback), providing Employees with any kind of gifts or personal benefits that can be deemed as bribes, or exerting improper influence on business relations by providing gifts or entertainment, etc.

**Article 19** The Company prohibits Suppliers from hiding any information from the Company that might constitute conflicts of interests, such as Employees holding positions or having personal and/or significant economic benefits or interests in the Suppliers.

**Article 20** The Company encourages Suppliers to report issues found during the work and complain of or report potential illegal activities. The Company shall keep confidential any complaints received from Suppliers and provide Suppliers with reporting channels free of possible retaliation, intimidation, harassment, or threat and legal protection.

**Article 21** Suppliers of the Company shall develop, implement, use and maintain relevant management systems and policies related to the policy. Suppliers shall keep necessary documents to verify relevant principles in the policy are met. With the consent of both parties, the documents may be reviewed by the Company.

**Article 22** The Company encourages reporting any violation of business ethics by Employees of the Company; the Company will receive the report and deal with such violations based on relevant provisions and strictly protect the interests of the whistle-blowers in line with relevant policies.

**Article 23** The Company will hold Employees of the Company in breach of business ethics accountable as per regulations, disciplines, and laws; if Employees are suspected of violating laws and committing crimes, they will be transferred to the relevant authority for legal liabilities thereof based on laws.

**Article 24** Employees and Suppliers are obliged to comply with this policy. The Company will， from time to time， carry out training for all Employees and Suppliers to ensure that they have a sound understanding of this policy. Training contents includes but is not limited to the electronic bidding/bid transaction platform, bid preparation, compliance training, etc. Employees shall complete all designated training courses in business ethics compliance through the online training platform or offline training.

**Article 25** The Company will, from time to time, review the policy, and may revise, change or abolish the policy in light of the latest national policies and the actual needs of the Company.

**Article 26** Department of Enterprise Management and Legal Affairs is responsible for interpreting and revising this policy.

**Article 27** The policy will be effective as of the issuance date.