

Jiangling Motors Co., Ltd

Independent Director Working System

Chapter 1 General Provisions

Article 1 In order to give full play to the role of Independent Directors of Jiangling Motors Co., Ltd (hereinafter referred to as “JMC”) in corporate governance, further complete JMC’s governance structure, promote JMC’s standard operation, and effectively protect the legal rights and interests of all shareholders, especially minority shareholders, this System is formulated according to the provisions of “Securities Law of the People’s Republic of China” (hereinafter referred to as “Securities Law”), “Company Law of the People’s Republic of China” (hereinafter referred to as “Company Law”), “Measures for the Administration of Independent Directors of Listed Companies” issued by China Securities Regulatory Commission (hereinafter referred to as “CSRC”), “Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange” and “Guidelines of the Shenzhen Stock Exchange on Self-Regulation for Listed Companies No.1 - Standard Operation of Listed Companies on the Main Board” issued by Shenzhen Stock Exchange (hereinafter referred to as “SZSE”), and relevant laws, regulations and normative documents, as well as the “Articles of Association of Jiangling Motors Co., Ltd” (hereinafter referred to as “Articles of Association”).

Article 2 An Independent Director is a Director who does not hold any position in the Company other than that of a Director, and who does not have any direct or indirect interest in the Company, its major shareholders, or actual controllers, or any other relationship that may affect his or her independent and objective judgments. An Independent Director shall perform his/her duties independently and shall not be influenced by the Company, its major shareholders, actual controllers and other entities or individuals.

Article 3 An Independent Director shall assume duty of loyalty and duty of care to the Company and all its shareholders, and shall, in accordance with the provisions of laws, administrative regulations, rules of the CSRC, SZSE, and the Articles of Association, conscientiously perform his/her duties, play the role of participating in decision-making, conducting supervision, checks and balances, and providing professional advice in the Board of Directors, safeguard the overall interests of the Company, and protect the lawful rights and interests of minority shareholders.

Article 4 The number of Independent Directors of the Company shall account for not less than one-third of the members of the Board of Directors and include at least one accounting professional. The members of the Audit Committee shall be Directors who do not serve as senior executives of the Company, of whom more than half shall be Independent Directors, and the accounting professional among the Independent Directors shall act as convener.

Article 5 The Company shall provide necessary guarantee for Independent Directors to perform their duties in accordance with the law.

Chapter 2 Qualifications

Article 6 The following basic conditions shall be met for a person serving as an Independent Director:

- (I) Be qualified to serve as a Director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (II) Meet the independence requirements set forth in Article 8 of this System;
- (III) Have basic knowledge of the operation of listed companies and be familiar with relevant laws, administrative regulations, rules and regulations;
- (IV) Have more than five years of working experience in law, accounting or economics necessary for performing the duties of an Independent Director;
- (V) Have good personal integrity and have no major dishonest acts or other bad records;
- (VI) Other conditions stipulated by laws, administrative regulations, rules of the CSRC, business rules of stock exchanges and the Articles of Association.

Article 7 In principle, an Independent Director may work in the capacity of Independent Director at up to three domestic listed companies and shall ensure that he/she has sufficient time and energy to effectively perform his/her duties as an Independent Director.

Article 8 An Independent Director must remain independent. None of the following persons may serve as an Independent Director:

- (I) A person who holds a position in the Company or any of its affiliates, or his/her spouse, parents, children, or major social relations;
- (II) A natural person shareholder who directly or indirectly holds 1% or more of the shares issued by the Company or who ranks among the top 10 shareholders of the Company, or his/her spouse, parents, or children;
- (III) A person who holds a position in a shareholder entity that directly or indirectly holds 5% or more of the shares issued by the Company or that ranks among the top five shareholders of the Company, or his/her spouse, parents, or children;
- (IV) A person who holds a position in an affiliate of the controlling shareholder or actual controller of the Company, or his/her spouse, parents, or children;
- (V) A person who has significant business transactions with the Company or its controlling shareholder, actual controller, or any of their respective affiliates, or a person who holds a position in an entity that has significant business transactions with the Company or in the entity of the controlling shareholder or actual controller;
- (VI) A person who provides financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, actual controller, or any of their respective affiliates, including but not limited to all members of the project team, reviewers at all levels, persons who sign the reports, partners, Directors, senior executives, and the primary persons in charge of an intermediary that provides services;
- (VII) A person who falls under any of the circumstances set forth in subparagraphs (1) through (6) in the last 12 months;
- (VIII) Any other person who does not work independently as prescribed by laws, administrative regulations, rules of the CSRC, business rules of the stock exchanges, and the Articles of Association.

The affiliates of the controlling shareholder or actual controller of the Company as mentioned in subparagraphs (4) through (6) of the preceding paragraph shall not include any enterprise that is, together with the Company, under control of the same state-owned assets management institution and has no affiliation with the Company according to the relevant

provisions. “Major social relations” refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of children’s spouses, etc.; “significant business transactions” refer to any business transactions which, according to the “Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange” and other relevant provisions of the SZSE or the Articles of Association, are required to be submitted to the general meeting of shareholders for consideration, or other material matters determined by the SZSE; “serving” refers to serving as Directors, supervisors, senior executives and other employees.

Article 9 The accounting professional among the Independent Directors shall have rich professional knowledge and experience in accounting and meet at least one of the following conditions:

- (I) Have the qualification as a certified public accountant;
- (II) Have a senior professional title in accounting, auditing or financial management, professional title of an associate professor or higher level, or a doctoral degree;
- (III) Have a senior professional title in economic management and more than five years of full-time working experience in accounting, auditing or financial management.

Article 10 Candidates for Independent Directors shall have good personal integrity and shall not be subject to the circumstances specified in relevant laws, regulations, normative documents, etc. where they shall not be nominated as a Director of a listed company, and shall not have the following adverse records:

- (I) Anyone who has been subject to administrative punishment by the CSRC or criminal punishment by a competent judicial authority for securities and futures related crimes within the last thirty-six months;
- (II) Anyone who has been investigated by the CSRC or a competent judicial authority for suspected securities and futures related crimes, for which a clear conclusion has not yet been reached;
- (III) Anyone who has been publicly denounced or notified and criticized by a stock exchange for more than three times within the last

thirty-six months;

(IV) Anyone who has major dishonest acts or other bad records;

(V) Anyone who has been proposed to the general meeting of shareholders by the Board of Directors for dismissal for less than twelve months because he/she has failed to attend three consecutive meetings of the Board of Directors in person during his/her past service as an Independent Director or because he/she has failed to attend two consecutive meetings of the Board of Directors in person and has not delegated other Directors to attend the meetings of the Board of Directors;

(VI) Other circumstances determined by the SZSE.

Chapter 3 Procedures for Nomination, Election and Replacement

Article 11 The Board of Directors, the Board of Supervisors and shareholders who individually or jointly hold more than 1% of the shares issued by the Company may propose candidates for Independent Directors, who shall be determined through the election at the general meeting of shareholders.

The nominator specified in the preceding paragraph shall not nominate a person who has interest in the nominator or any other close relationship that may affect the independent performance of duties as an Independent Director candidate.

Article 12 The nominator of an Independent Director shall obtain the nominee's consent before nomination. The nominator shall be fully aware of the nominee's occupation, educational background, professional title, detailed work experience, all concurrent positions, and whether the nominee has any major dishonest act or other bad records, and give his/her opinions on whether the nominee satisfies the requirements for independence and other requirements for serving as an Independent Director.

The nominee shall make a public statement regarding his/her compliance with the independence and other requirements for serving as an Independent Director.

Article 13 To elect two or more Independent Directors, a cumulative voting system shall be adopted at a general meeting of shareholders of the Company. The voting by minority shareholders shall be counted separately and disclosed.

Article 14 The term of office of an Independent Director shall be the same as that of other Directors of the Company and may be renewed upon expiration, and the consecutive terms of office shall generally not exceed six years. Any person who has served as an Independent Director for six consecutive years shall not be nominated as a candidate for the Independent Director of the Company within thirty-six months from the date of occurrence of such fact.

Article 15 Prior to the expiry of the term of office of an Independent Director, the Company may remove him/her from office according to statutory procedures. If the Company removes an Independent Director from office before the expiration date, it shall promptly disclose the specific reasons and basis therefore. If an Independent Director has any objection to the removal, the Company shall disclose it in a timely manner.

Any Independent Director who fails to comply with the provisions of subparagraph (1) or (2) of Article 6 of the System shall immediately cease the performance of his/her duties and resign. If he/she fails to submit a resignation, the Board of Directors shall immediately remove him/her from office in accordance with the relevant provisions as soon as it knows or should have known the fact.

If an Independent Director submits his/her resignation or is removed from office since he/she falls under any of the circumstances specified in the preceding paragraph, resulting in the failure of the ratio of Independent Directors in the Board of Directors or its special committee to comply with the System or the Articles of Association of the Company, or in a lack of an accounting professional among the Independent Directors, the Company shall complete the by-election within 60 days after the occurrence of the aforesaid fact.

Article 16 An Independent Director may submit his/her resignation before the expiry of his/her term of office. An Independent Director who resigns shall submit a written resignation to the Board of Directors, in which he/she shall explain any information related to his/her resignation or any

information to which the attention of the shareholders and creditors of the Company shall be drawn in his/her opinion. The Company shall disclose the reasons for the resignation of the Independent Director and any matters of concern.

If the resignation of an Independent Director will result in the failure of the ratio of Independent Directors in the Board of Directors or its special committee to comply with the provisions of the System or the Articles of Association of the Company, or in a lack of an accounting professional among the Independent Directors, the Independent Director who plans to resign shall continue to perform his/her duties until the date when a new Independent Director is elected. The Company shall complete the by-election within 60 days after the Independent Director submits his/her resignation.

Chapter 4 Duties and Way of Duties Performing

Article 17 Independent Directors shall perform the following duties:

- (I) To participate in the decision-making of the Board of Directors and express specific opinions on the matters deliberated;
- (II) To supervise the matters on potential material conflicts of interest between the Company and its controlling shareholder, actual controller, directors, and senior executives specified in Article 19 herein and Articles 26, 27, and 28 of the “Measures for the Administration of Independent Directors of Listed Companies”, promote the decisions made by the Board of Directors to be in line with the interests of the Company as a whole, and protect the lawful rights and interests of minority shareholders;
- (III) To provide professional and objective advice on the operation and development of the Company, and promote the improvement of the decision-making level of the Board of Directors;
- (IV) To perform other duties prescribed by laws, administrative regulations, rules of the CSRC, and the Articles of Association of the Company.

Article 18 The Independent Directors may exercise the following special powers and functions:

- (I) To independently engage intermediaries to audit, consult or inspect specific matters of the Company;
- (II) To propose the convening of an extraordinary general meeting of shareholders to the Board of Directors;
- (III) To propose the convening of a meeting of the Board of Directors;
- (IV) To publicly solicit shareholders' rights from shareholders in accordance with the law;
- (V) To give independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;
- (VI) To exercise other powers and functions prescribed by laws, administrative regulations, rules of the CSRC, and the Articles of Association of the Company.

An Independent Director's exercise of powers and functions set forth in subparagraphs (1) through (3) of the preceding paragraph shall be subject to the consent of a majority of all Independent Directors.

The Company shall make a disclosure in a timely manner if an Independent Director exercises the powers and functions specified in paragraph 1. If an Independent Director is unable to exercise the aforesaid powers and functions, the Company shall disclose the specific circumstances and reasons therefor.

Article 19 The following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all Independent Directors of the Company:

- (I) Related party transactions that shall be disclosed;
- (II) Nomination or removal of Directors;
- (II) The plans of the Company and the relevant parties for the modification or waiver of their undertakings;
- (III) The decisions made and measures taken by the Board of Directors of the acquired company;

(IV) Other matters prescribed by laws, administrative regulations, rules of the CSRC, or the Articles of Association of the Company.

Article 20 An Independent Director shall attend a meeting of the Board of Directors in person. If an Independent Director is unable to attend a meeting in person for any reason, he/she shall review the meeting materials in advance, form specific opinions, and entrust in writing another Independent Director to attend the meeting on his/her behalf.

Where an Independent Director fails to attend two consecutive meetings of the Board of Directors in person and fails to entrust another Independent Director to attend the meeting on his/her behalf, the Board of Directors shall, within 30 days from the date of occurrence of such a fact, propose the convening of a general meeting of shareholders to remove the Independent Director from office.

Article 21 Before a meeting of the Board of Directors is convened, an Independent Director may communicate with the secretary of the Board of Directors and make inquiry, request the supplements of materials, or offer opinions and recommendations concerning the matters to be deliberated. The Board of Directors and relevant personnel shall conscientiously study the issues, requests, and opinions put forward by the Independent Director and promptly provide feedback on the implementation of amendments to the proposals and other matters to the Independent Director.

Article 22 An Independent Director shall pay continuous attention to the implementation of resolutions of the Board of Directors on the matters related to Article 19 herein and the matters proposed by the special committee, and if the Independent Director finds any violation of laws, administrative regulations, rules of the CSRC, business rules of the stock exchanges, or the Articles of Association of the Company, or violation of the resolution adopted at the general meeting of shareholders or the meeting of the Board of Directors, the Independent Director shall report the violation to the Board of Directors in a timely manner and may require the Company to make a written explanation thereon. The Company shall promptly disclose any involved matter that shall be disclosed.

If the Company fails to make an explanation or a timely disclosure in accordance with the provisions of the preceding paragraph, the Independent Director may report it to the CSRC and the stock exchanges.

Article 23 The Company shall, on a periodical or unscheduled basis, convene meetings attended solely by Independent Directors (hereinafter referred to as “special meetings of Independent Directors”). The matters specified in subparagraphs (1) through (3) of paragraph 1 of Article 18 and Article 19 herein shall be deliberated at the special meetings of Independent Directors.

Article 24 An Independent Director shall attend the meetings of special committee in person. If an Independent Director is unable to attend a meeting in person for any reason, he/she shall review the meeting materials in advance, form specific opinions, and entrust in writing another Independent Director to attend the meeting on his/her behalf.

Article 25 The Independent Directors shall spend no less than fifteen days per year working on-site at the Company. In addition to attending the general meeting of shareholders, meetings of the Board of Directors and its special committee, and special meetings of Independent Directors in accordance with the provisions, the Independent Directors may perform their duties by various means such as obtaining information on the operation of the Company on a regular basis, listening to reports from the management, communicating with intermediaries such as the head of the internal audit organization and the accounting firm that undertakes the auditing business of the Company, conducting on-site inspections, and communicating with the minority shareholders.

Article 26 The Independent Directors shall make working records to record in detail the performance of their duties. Information obtained by the Independent Directors in the course of performing their duties, minutes of relevant meetings, records of communications with the Company and staff of intermediaries, etc., shall form an integral part of the work records. With respect to the important contents of the work records, the Independent Directors may request the secretary of the Board of Directors and other relevant personnel to sign for confirmation, and the Company and relevant personnel shall cooperate with them.

The work records of the Independent Directors and the information provided by the Company to Independent Directors should be kept for at least ten years.

Article 27 An Independent Director shall submit an annual report on his/her duties to the annual general meeting of shareholders to explain the performance of his/her duties. The report shall contain the following contents:

(I) The frequency, methods and votes of attending the meetings of the

Board of Directors, and the frequency of attending the general meetings of shareholders;

- (II) The participation in the work of special committee of the Board of Directors and special meetings of Independent Directors;
- (III) The consideration of the matters set out in Article 19 herein, and Articles 26, 27 and 28 of the “Measures for the Administration of Independent Directors of Listed Companies”, and the exercise of the special powers and functions of the Independent Directors as set out in Article 18(I) herein;
- (IV) Significant matters, manners and results for the communication with the internal audit organization and the accounting firm that undertakes the Company’s auditing business regarding the Company’s financial and business status;
- (V) Communication with minority shareholders;
- (VI) The time and content of on-site work at the Company;
- (VII) Other circumstances of the performance of duties.

The annual report of the Independent Directors shall be disclosed no later than the date when the Company gives notice of its annual general meeting of shareholders.

Article 28 The Independent Directors shall conduct an annual self-examination of their independence and submit the self-examination result to the Board of Directors. The Board of Directors shall annually assess the independence of the incumbent Independent Directors and issue special opinions, which shall be disclosed at the same time as the annual report.

Chapter 5 Duty Performance Guarantee

Article 29 The Company shall provide necessary working conditions and personnel support for the Independent Directors to perform their duties, and designate the Securities Department, secretary of the Board of Directors and other special departments and special personnel to assist the Independent Directors to perform their duties.

Article 30 The secretary of the Board of Directors shall ensure the smooth flow of information between the Independent Directors and other directors, senior executives and other relevant personnel, and ensure that the Independent Directors have access to sufficient resources and necessary professional advice in the performance of their duties.

Article 31 The Company shall guarantee that Independent Directors enjoy the same right to information as other directors. In order to ensure the effective exercise of the powers and functions of Independent Directors, the Company shall inform the Independent Directors of the Company's operation on a regular basis, provide information, and organize or cooperate with the Independent Directors to carry out on-site inspections and other work.

The Company may organize Independent Directors to participate in research and argumentation and other links before the Board of Directors considers major and complex matters, so as to fully listen to the Independent Directors' opinions, and provide timely feedback to Independent Directors on the adoption of their opinions.

Article 32 The Company shall give notice of Board meetings to Independent Directors in a timely manner, provide relevant meeting materials no later than the notice period for board meetings stipulated by laws, administrative regulations, rules of the CSRC or the Articles of Association, and provide Independent Directors with effective communication channels. The Company shall keep the said meeting materials for at least ten years.

If two or more Independent Directors believe that the materials for a meeting are incomplete, insufficiently argued or not provided in a timely manner, they may propose in writing to the Board of Directors to adjourn the meeting or postpone the consideration of the matter, and the Board of Directors shall adopt such proposal.

Article 33 Where an Independent Director exercises his/her powers and functions, the Company's directors, senior executives and other relevant persons shall cooperate with him/her, and shall not refuse, obstruct or conceal relevant information, or interfere with his/her independent exercise of his/her powers and functions.

If an Independent Director encounters obstruction in the exercise of his/her powers and functions in accordance with the law, he/she may

explain the situation to the Board of Directors, request the directors, senior executives and other relevant persons to cooperate with him/her, and put the specific circumstances of the obstruction and the solution of the situation in his/her work records; if he/she still fails to eliminate the obstruction, he/she may report the situation to the CSRC and the stock exchanges.

Where matters relating to the performance of duties by an Independent Director involve information that should be disclosed, the Company shall handle disclosure matters in a timely manner; where the Company does not disclose such information, the Independent Director may directly apply for disclosure or report to the CSRC and the stock exchanges.

Article 34 The Company shall bear the expenses incurred by the Independent Directors in engaging professional organizations and exercising other powers and functions.

Article 35 The Company shall offer Independent Directors allowances appropriate to their duties. The criteria for the allowances shall be formulated by the Board of Directors, considered and approved by the general meeting of shareholders, and disclosed in the annual report of the Company.

Except for the allowances above, Independent Directors shall not obtain other benefits from the Company, its major shareholders, actual controllers, or interested entities and persons.

Chapter 6 Supplementary Provisions

Article 36 The Board of Directors of the Company shall be responsible for formulating, proposing draft amendments to and interpreting the present System. This System shall enter into force after the consideration and approval by the Board of Directors, and the same shall apply when it is amended.

Article 37 In case of any matters not specified herein or any inconsistency between the System and the “Company Law”, “Securities Law” and other laws and regulations, as well as relevant provisions issued by the CSRC and the SZSE, the latter shall prevail.