

ADAMA Ltd.
**The Implementation Rules of the Audit Committee of
the Board of Directors**

Chapter I General Provisions

Article 1 In order to strengthen the decision-making functions of its Board of Directors, ensure the effective supervision of the Board of Directors over the management team and other senior managers and improve the corporate governance, ADAMA Ltd. (hereinafter referred to as “the Company”) establishes the Audit Committee of the Board of Directors and formulates these Rules according to *the Company Law of the People's Republic of China, the Code of Governance for Listed Companies, the Articles of Associations of ADAMA Ltd.* (hereinafter referred to as “*the Articles of Associations*”) and other relevant regulations.

Article 2 As a dedicated working body established by the Board of Directors, the Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control.

Chapter II Organizational Composition

Article 3 The Audit Committee should consist of three directors who are not senior management of the Company, including two independent directors, and at least one of the two should be an accounting professional.

Article 4 The members of the Audit Committee should be nominated by either the Chairman of the Board, one-half and above of the independent directors or one-third and above of all directors and be elected by the Board of Directors.

Article 5 The Audit Committee should have the accounting professional among the independent directors as its chairperson and the convener, who should preside over the committee and be elected by the Board of Directors.

Article 6 The office term of the Audit Committee should be the same as that of the Board. When the office term of any member expires, one can succeed oneself if being re-elected consecutively. If any member ceases to be a director during the term, he/she should automatically lose his/her membership and the Committee should make up the number of members in accordance with above-mentioned provisions from Articles 3 to 5.

Article 7 The Department of Securities and Legal Affairs and the Department of Internal Audit of the Company facilitate the Audit Committee in its daily work and take the responsibility for its daily liaison and meeting organization.

Chapter III Responsibilities and Authorities

Article 8 The main responsibilities and authorities of the Audit Committee are as follows.

- (1) To oversee and evaluate the work of the external audit and propose the engagement or replacement of external auditors.
- (2) To oversee and evaluate the Company's internal audit work and be responsible for communication between the external and internal auditing teams.
- (3) To review the Company's financial statements and the disclosure.
- (4) To review the Company's internal control system.
- (5) Other responsibilities and authorities granted by the Board of Directors of the Company.

Article 9 The following matters should be submitted to the Board of Directors for deliberation after being agreed by a majority of all members of the Audit Committee,

- (1) Disclosure of financial information in financial reports and periodic reports, and internal control evaluation reports;
- (2) Employment or dismissal of the accounting firm undertaking the audit 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 or correction of material accounting errors for reasons other than changes in accounting standards;
- (5) Other matters as prescribed by laws, administrative regulations, CSRC regulations

and the *Articles of Association* of the Company.

Article 10 The duties of the Audit Committee to guide and supervise the work of the Internal Audit Department of the Company are as follows,

- (1) To guide and supervise the establishment and implementation of the internal audit system.
- (2) To review the annual internal audit work plan of the Company.
- (3) To supervise the implementation of the Company's internal audit plan.
- (4) To guide the effective operation of the internal audit department. The internal audit department of the Company should report to the Audit Committee. All types of audit reports submitted by the internal audit department to the management, plans for rectification of audit issues and the status of rectification should be submitted to the Audit Committee at the same time.
- (5) To report to the Board of Directors on the progress and quality of the internal audit work, as well as material issues identified.
- (6) To coordinate the liaison between the internal audit department and external audit units such as accounting firms and national audit institutions.

Article 11 The Audit Committee is responsible to the Board of Directors and its proposals should be submitted to the Board of Directors for consideration and decision-making. The Audit Committee should cooperate with the Board of Supervisors in the conduct of the audit of the Company.

Chapter IV Decision-making Procedures

Article 12 The Departments of Finance and Internal Audit are responsible for the preparation to facilitate the Audit Committee to make decisions and for providing information in written form related to the finance of the Company. The information should include,

- (1) Relevant financial statements of the Company.
- (2) Work reports drafted by internal and external auditors.
- (3) Contracts with external audit and related work reports.
- (4) Information disclosure of the Company.
- (5) Audit reports on material related-party transactions of the Company.

(6) Other relevant matters.

Article 13 The reports provided by the Internal Audit Department should be deliberated at the Audit Committee meetings and then the corresponding resolutions in written form should be submitted to the Board of Directors for discussion regarding the following,

(1) The evaluation of the work performance, the engagement and replacement of the external auditors.

(2) Whether the internal audit system of the Company has been effectively operating and whether the financial statements are comprehensive and true.

(3) Whether the Company's financial statements and other information disclosed to the public are objective and true, and whether the material related-party transactions are in compliance with relevant laws and regulations.

(4) The evaluation of the performance of the Company's finance and audit departments, including the persons in charge.

(5) Other relevant matters.

Chapter V Rules of Procedures

Article 14 The Audit Committee should hold at least one meeting per quarter and may convene an ad hoc meeting when proposed by two and above members or when the convenor deems it necessary. In principle, all members should be notified of the convening three days in advance. The chairperson of the Committee should preside over the meetings and may delegate another independent director to host in his/her place if one cannot attend. With the unanimous agreement of all members of the Audit Committee, the aforementioned notice requirement may be waived.

Article 15 The meetings of the Audit Committee should be held with the presence of at least two-thirds of the members. Each member should have one vote, and any resolution should be made by the meeting only if a majority of members vote to approve.

Any member of the Audit Committee who is a related-party to the matter under consideration should recuse oneself. If effective deliberations cannot be formed due to the recusal, the relevant matters should be considered directly by the Board of Directors.

Article 16 Members of the Audit Committee should attend the meetings in person and

express clear opinions on the matters under consideration. If any member of the Audit Committee cannot do so for any reason, he or she may submit a power of attorney signed by himself/herself and entrust other members to attend and express opinions on his or her behalf. The power of attorney should specify the scope and duration of the authorization. Each member should accept a maximum of one member's authorization. If any independent director of the Audit Committee is unable to attend the meeting in person for any reason, he or she should appoint another independent director member to participate on his or her behalf.

Article 17 The voting manner of the Audit Committee meeting is by a show of hands or a vote, and the meeting may also be held by correspondence (including a circulation of written resolution).

Article 18 The head of the Internal Audit Department can attend the meetings of the Audit Committee. Directors of the Board, supervisors and other senior management members may also be invited to attend the meetings when necessary.

Article 19 If the Audit Committee deems it necessary, it can engage external agents to provide professional advice for its decision making at the expense of the Company.

Article 20 The procedure for convening the meetings of the Audit Committee, the manner of voting and the motions adopted at the meetings should be in compliance with the provisions of relevant laws and regulations, the *Articles of Associations* and these *Rules*.

Article 21 The meetings of the Audit Committee should always have meeting minutes with signatures of all the attending members. The minutes should be kept by the Department of Securities and Legal Affairs of the Company.

Article 22 The proposals and voting results adopted at the meetings of the Audit Committee should be presented to the Board of Directors in written form.

Article 23 All members present at any meeting should be obliged to keep the matters deliberated at the meeting confidential and should not disclose relevant information of

the Company before its public disclosure.

Chapter VI Supplementary Provisions

Article 24 When the provisions of the relevant laws, regulations, rules and other normative documents on which these *Rules* are based are amended, the corresponding provisions hereby should be repealed at the same time and the amended provisions of the relevant laws, regulations and other normative documents should prevail.

Article 25 These *Rules* should be formulated, amended and interpreted by the Board of Directors.

Article 26 These *Rules* should come into effect on the date of deliberation and approval by the Board of Directors.

ADAMA Ltd.
April 25th, 2024