

**Shanghai Dongzheng Automotive Finance Co., Ltd.\***

**Rules of Procedure for Meetings of  
the Board of Supervisors**

25 April, 2022

\* *For identification purposes only*

## CONTENTS

Chapter 1	General Provisions . . . . .	1
Chapter 2	Powers and Responsibilities of the Board of Supervisors . . . . .	2
Chapter 3	Convening and Notification of the Board of Supervisors . . . . .	4
Chapter 4	Convening of Meetings of the Board of Supervisors . . . . .	7
Chapter 5	Voting at Meetings of the Board of Supervisors . . . . .	7
Chapter 6	Documents of the Meeting and Meeting Minutes . . . . .	8
Chapter 7	Execution of Resolutions of the Board of Supervisors . . . . .	9
Chapter 8	Supplementary Provisions . . . . .	10

## CHAPTER 1 GENERAL PROVISIONS

Article 1 These Rules have been established in order to determine the duties, responsibilities and authorities of the Board of Supervisors of Shanghai Dongzheng Automotive Finance Co., Ltd.\* (the “Company”), to regulate the internal organization and operating procedures of the Board of Supervisors and to give a full play to the supervisory role of the Board of Supervisors and in accordance with relevant laws and regulations including the Company Law of the People’s Republic of China (the “Company Law”), and relevant provisions of the Articles of Association of Shanghai Dongzheng Automotive Finance Co., Ltd.\* (the “Articles of Association”). Upon the Company’s being listed on the Main Board of The Stock Exchange of Hong Kong Limited and issuance of foreign shares (the “IPO”), these Rules shall also be subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as amended from time to time and other applicable laws and regulations of the Hong Kong Special Administrative Region of the People’s Republic of China. In case of any inconsistency or conflict between any applicable laws, administrative regulations, the Articles of Association or the Listing Rules and these Rules, the strictest provisions shall prevail according to the principle of strictness.

Article 2 The Company shall establish the Board of Supervisors in accordance with the laws, which shall comprise three supervisors. The Board of Supervisors shall have one chairman who shall be elected by more than half of all the supervisors.

The Board of Supervisors shall include one employee representative, who shall be democratically elected by employees of the Company through the employee representative meeting.

The term of office of supervisors for each session shall be three years. Supervisor of shareholder representative shall be elected and removed by the general meeting of shareholders. Supervisor of employee representative shall be elected and removed by democratic voting of the Company’s employees. Supervisors are eligible for re-election.

## **CHAPTER 2 POWERS AND RESPONSIBILITIES OF THE BOARD OF SUPERVISORS**

Article 3 The Board of Supervisors shall perform the following duties:

- (1) to inspect the Company's financial activities;
- (2) to supervise the performance of duties by directors and senior management officers and make proposals to remove directors and senior management officers who have violated laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (3) to demand rectification from a director or senior management officer when the acts of the director or senior management officer are harmful to the Company's interest;
- (4) to propose to convene extraordinary general meetings, and to convene and preside over general meetings in the event that the Board fails to perform such duties pursuant to relevant provisions of the Company Law;
- (5) to make proposals to the general meeting;
- (6) to bring legal actions against any director or senior management officer pursuant to relevant provisions of the Company Law;
- (7) to investigate when finding that the Company is running abnormally, and (if necessary) may engage accounting firms, law firms or other professional firms to provide assistance at the expense of the Company.

Article 4 The chairman of the Board of Supervisors shall perform his/her duties as follows:

- (1) presiding the work of the Board of Supervisors, convening and presiding over the meeting of Board of Supervisors, and supervising and inspecting the implementation of resolutions of the Board of Supervisors;
- (2) arranging for the performance of the duties of the Board of Supervisors;
- (3) reviewing and finalising and signing reports of the Board of Supervisors and other material documents;

- (4) delivering work report at the general meeting on behalf of the Board of Supervisors;
- (5) requesting the auditor of the Company to provide financial audit reports on the Company's operation projects and issue opinions on the audit results in accordance with resolutions of the Board of Supervisors, and (if necessary) may engage accounting firms or other professional firms to provide assistance;
- (6) examining and signing documents related to the Board of Supervisors, reviewing and signing the opinions of audit reports on resigning senior management officers of the Company and annual appraisal opinions of the Company on directors and senior management officers.

When the chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by more than half of all the supervisors shall perform such duties.

Article 5 The supervisor may resign before the expiration of his/her term, and the provisions about the resignation of directors in the Articles of Association shall apply to supervisors.

Article 6 The supervisors shall abide by laws, administrative regulations and the Articles of Association. They shall perform the obligations faithfully and diligently to safeguard the interests of the Company. When their own interests conflict with the interests of the Company and shareholders, it shall be the code of conduct to protect the best interest of the Company and shareholders.

Article 7 Supervisors shall perform the following responsibilities:

- (1) to comply with the provisions of national laws, administrative regulations and the Articles of Association, and perform their duties in good faith and with due diligence;
- (2) to adhere to the principles of truthfulness, fairness and impartiality in their work;
- (3) to attend the meetings of the Board of Supervisors on time;
- (4) to maintain and protect the legitimate interests of the Company from infringement, not to use their authorities for personal gains or accept bribes, and not to divulge the Company's secrets;
- (5) to be liable for losses incurred by the Company due to their faults;

- (6) If any resolution of the Board of Supervisors causes serious damage to the interests of the Company, and the supervisors involved in the resolution fail to perform their duties of diligence and prudence, such supervisors shall bear corresponding compensation liability in accordance with the degree of their faults, except that those supervisors who are proven to have expressed dissenting opinions on the resolution during the voting and recorded in the meeting minutes shall be exempted from liability;
- (7) to bear the liability of compensation to the Company in cases where the supervisors violate the resolution of the Board of Supervisors and cause damages to the interests of the Company during the performance of their specific duties;
- (8) to bear the liability of compensation for any loss to the Company due to their breach of laws, administrative regulations or the Articles of Association in the course of performance of their duties;
- (9) to supervise the Board of Directors in establishing sound business philosophy and value criteria and formulating development strategies in line with the Company's situation; to evaluate the scientificity, reasonableness and soundness of the Company's development strategies and form evaluation reports.

### **CHAPTER 3 CONVENING AND NOTIFICATION OF THE BOARD OF SUPERVISORS**

Article 8 The Board of Supervisors shall set up an office for handling its daily affairs.

The chairman of the Board of Supervisors shall be the person in charge of the office of the Board of Supervisors concurrently and keep the seal of the Board of Supervisors. The chairman of the Board of Supervisors may require other persons to assist him/her in performing daily functions of the Board of Supervisors.

Article 9 Meetings of the Board of Supervisors shall be convened by the chairman of the Board of Supervisors. In the event that the chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by more than half of all the supervisors shall convene the meeting of the Board of Supervisors.

Article 10 Meetings of the Board of Supervisors shall be divided into regular meetings of the Board of Supervisors (the "Regular Meetings") and extraordinary meetings of the Board of Supervisors (the "Extraordinary Meetings").

Article 11 The Regular Meetings of the Board of Supervisors shall be convened once every six months. The Board of Supervisors shall convene an Extraordinary Meeting within ten days under any of the following circumstances:

- (1) any supervisor proposes to convene such meeting;
- (2) a resolution adopted at the general meeting or Board meeting violates the requirements of laws, regulations, rules and regulatory authorities, the Articles of Association, resolutions of the Company's general meeting and other relevant provisions;
- (3) the misconduct of directors and other senior management officers may cause material damages to the Company or have an adverse impact in the market;
- (4) an action has been instituted by the shareholders against the Company, directors, supervisors and senior management officers;
- (5) the securities regulatory authority requests to convene the meeting;
- (6) other circumstances provided in the Articles of Association.

Article 12 Where a supervisor proposes to convene the Extraordinary Meetings, he/she shall submit through the office of the Board of Supervisors or directly to the chairman of the Board of Supervisors a written proposal signed by himself/herself. The written proposal shall contain the following items:

- (1) name of the supervisor who submits the proposal;
- (2) the grounds or facts on which the proposal is submitted;
- (3) the time or time limit, place and manner of the meeting proposed;
- (4) specific and detailed proposals;
- (5) contact details of the supervisor who submits the proposal and the date of the proposal.

Within three days after receipt of the written proposal by the office of the Board of Supervisors or the chairman of the Board of Supervisors, the office of the Board of Supervisors shall give the notice on convening the Extraordinary Meeting of the Board of Supervisors.

Article 13 Before giving the notice on convening a Regular Meeting, the office of the Board of Supervisors shall solicit proposals for the meeting from all supervisors and take at least two days to solicit opinions from employees of the Company. When soliciting proposals and opinions, the office of the Board of Supervisors shall explain that the Board of Supervisors focuses on the supervision of standard operation of the Company and performance of the duties of directors and senior management officers rather than making decisions on the operation and management of the Company.

Article 14 When convening the Regular Meetings and the Extraordinary Meetings of the Board of Supervisors, the office of the Board of Supervisors shall submit written notice of the meeting with the seal of the Board of Supervisors to all the supervisors by hand, fax, electronic mails or other methods before ten days and five days of the Regular Meetings and the Extraordinary Meetings respectively. Where the delivery is not by hand, the office of the Board of Supervisors shall confirm receipt of the delivery by telephone and maintain relevant records.

In case of an emergency, if an Extraordinary Meeting of the Board of Supervisors is required to be convened as soon as possible, the notice of the meeting may be given at any time verbally or by telephone, but the convener shall make a statement at the meeting.

Article 15 The written notice of the meeting shall at least include the following contents:

- (1) the time and venue of the meeting;
- (2) matters to be considered (meeting proposals);
- (3) the convener of the meeting, the chairman of the meeting, the proposer of the Extraordinary Meeting and his/her written proposal;
- (4) meeting materials required for voting by the supervisors;
- (5) the requirements that supervisors shall attend the meeting in person;
- (6) contact person and contact details.

A verbal notice of the meeting shall include at least items (1) and (2) of the foregoing, as well as an explanation for the convening of an Extraordinary Meeting of the Board of Supervisors as soon as possible in case of an emergency.



## **CHAPTER 4 CONVENING OF MEETINGS OF THE BOARD OF SUPERVISORS**

Article 16 Meetings of the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable to perform his/her duties, the provisions of Article 9 in these Rules shall apply.

Article 17 Meetings of the Board of Supervisors shall be held in the presence of a majority of the supervisors. If the relevant supervisors refuse or fail to attend the meeting resulting in the failure to meet the minimum number of persons required to hold the meeting, the remaining supervisors shall promptly report to the regulators. The secretary of the Board and the representative of securities affairs shall attend the meeting of the Board of Supervisors.

Article 18 Meetings of the Board of Supervisors shall be held on-site.

In case of an emergency, the voting at meetings of the Board of Supervisors may be conducted by telecommunication, but the convener of meetings of the Board of Supervisors (the presider of the meeting) shall explain the specific emergency to the supervisors present. In case of voting by telecommunication, the supervisors shall fax their written opinions on the considered matters and voting intentions to the office of the Board of Supervisors after confirmation by signature. Supervisors shall not merely specify their voting opinions without expressing their written opinions or reasons for voting.

## **CHAPTER 5 VOTING AT MEETINGS OF THE BOARD OF SUPERVISORS**

Article 19 The presider of the meeting shall request all the attending supervisors to expressly specify their views on each proposal. The presider of the meeting shall, in response to the supervisors' proposals, request directors, senior management officers, other staff of the Company or business personnel of relevant intermediaries to attend the meeting and respond to the relevant inquires.

The rights of all attending supervisors to present their views and recommendations shall be ensured at every meeting of the Board of Supervisors. The supervisors shall express their opinions complete, clear and concise.

Article 20 Resolutions of the Board of Supervisors shall be made by way of voting with one vote by each supervisor, conducted by way of, such as, casting written votes with the identity of the voter stated on the voting papers. For several parallel or different items contained in the same proposal, the Board of Supervisors may adopt the methods of separate consideration and item-by-item voting.

Provided that the supervisors can fully express their opinions, the Extraordinary Meetings of the Board of Supervisors may be held and resolutions may be reached by fax or other means of written communication, which shall be signed by the supervisors attending the meeting.

Article 21 Voting of supervisors consists of the affirmative vote, negative vote and abstention. The participating supervisors shall choose one of the above-mentioned intentions. If any participating supervisor fails to choose or chooses two or more options at the same time, the presider of the meeting shall request the supervisor to choose again. The supervisors who refuse to choose or fail to return after leaving the meeting halfway without making a choice shall be deemed to have abstained from voting.

Article 22 Any resolution to be passed by the Board of Supervisors shall be valid only if it is approved by more than half of all the supervisors.

## **CHAPTER 6 DOCUMENTS OF THE MEETING AND MEETING MINUTES**

Article 23 Meeting minutes of the Board of Supervisors shall be taken by a designated person. Meetings of the Board of Supervisors may be recorded on audiotape in full if necessary.

Article 24 Meeting minutes of the Board of Supervisors shall be a complete and accurate record of the true state of affairs of the meeting and of the opinions and recommendations of the supervisors present at the meeting. The meeting minutes shall include at least the following contents:

- (1) session, time, venue and manner of the meeting;
- (2) information of the notice of meeting;
- (3) convener and presider of the meeting;
- (4) attendance of the meeting;

- (5) proposals considered at the meeting; main points and main opinions of each supervisor's statement for relevant matters and the intention of voting on proposals;
- (6) the voting method and results of each proposal (the number of affirmative, negative and abstention votes shall be specifically indicated);
- (7) other issues that the attending supervisors consider necessary to record.

For a meeting held by telecommunication, the office of the Board of Supervisors shall prepare minutes of the meeting with reference to the aforesaid requirements.

Article 25 Supervisors attending the meeting shall confirm the minutes of meetings by signing. If supervisors have different opinions on the records of the meeting, they may make a written explanation when signing. Supervisors who fail to confirm by signing in accordance with the aforesaid provision, and do not make written explanations to their different opinions, shall be deemed to fully agree with the contents of the minutes.

Article 26 The meeting files of the Board of Supervisors, including notice and materials, attendance book, audio recordings, votes, minutes confirmed by the supervisors present and resolution announcements shall be kept by the person designated by the chairman of the Board of Supervisors for a period of ten years. No one shall damage or alter them during the period of operation of the Company.

## **CHAPTER 7 EXECUTION OF RESOLUTIONS OF THE BOARD OF SUPERVISORS**

Article 27 The convenor of meetings of the Board of Supervisors is responsible for organizing, supervising and inspecting the execution of resolutions of the Board of Supervisors.

Article 28 The supervisors shall urge relevant personnel to execute the resolutions of the Board of Supervisors. The Board of Supervisors may designate other senior management officers of the Company to implement a particular resolution depending on specific circumstances of the matters resolved.

Article 29 For the matters resolved by the Board of Supervisors, the contact person of the Board of Supervisors is responsible for following up and understanding, and providing timely feedback to the Board of Supervisors and the convenor of meetings of the Board of Supervisors on the status of implementation. The chairman of the Board of Supervisors shall report the status of implementation of resolutions that have been formed at the meetings of the Board of Supervisors.

## **CHAPTER 8 SUPPLEMENTARY PROVISIONS**

Article 30 The matters not covered in these Rules shall be implemented in accordance with the relevant requirements of applicable national laws and regulations, the Articles of Association and the Rules of Procedure for Meetings of the Board of Directors.

Article 31 “At least” as referred to in these Rules are inclusive of the stated figures and “more than” are exclusive of the stated figures.

Article 32 When these Rules need to be revised in light of actual changes in circumstances, the revised drafts shall be proposed by the convenor of meetings of the Board of Supervisors, which shall be approved by the Board of Supervisors and submitted to the general meeting for consideration.

Article 33 These Rules shall take effect from the date of consideration and approval by the general meeting of the Company.

Article 34 These Rules shall be subject to interpretation by the Board of Supervisors of the Company.