

**RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE OF  
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

With effect from 17 June 2022

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# **RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

## **CHAPTER 1 GENERAL PROVISIONS**

### **Article 1**

In order to safeguard the interests of the shareholders and employees of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) and improve the Company’s internal supervision and balance system, the Rules of Procedures for the Supervisory Committee (the “**Supervisory Committee**”) of the Company (these “**Rules**”) are hereby formulated according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Opinion on the Further Promotion of the Standardised Operation and In depth Reform of Companies Listed Overseas, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-tech Innovation Board Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”) and other relevant laws, administrative regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

### **Article 2**

The Supervisory Committee is a supervision body established by the Company according to law, which is accountable and report to the general meeting.

The Supervisory Committee shall focus on supervision of finance-related matters, and oversee the board of directors and its members, general manager, deputy general manager and other senior management as well as the operation and management behaviours of the Company in accordance with relevant state laws, administrative regulations, financial and auditing rules and resolutions of the general meeting, so as to ensure that the assets of the Company and interests of its shareholders are not prejudiced.

## **CHAPTER 2 COMPOSITION OF THE SUPERVISORY COMMITTEE**

### **Article 3**

The Supervisory Committee shall compose of three to five supervisors, of which employee representative supervisors shall account for no less than one-third of the number of supervisors.

The supervisory committee shall have more than 1/2 of their members as external members (meaning those not being employed by the Company). The external members shall consist of more than 1 independent supervisor (meaning those who are independent from the shareholders and not being employed by the Company). The external supervisors shall have the right to report to the general meeting on the honesty, diligence and performance of the management personnel of the Company. Non-employee representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the employees of the Company through the employee congress, employee assembly or other democratic forms.

The Supervisory Committee shall have a chairman and may have a vice chairman. The chairman and the vice chairman of the Supervisory Committee shall be elected and removed with approval of more than two-thirds of all the supervisors.

#### **Article 4**

##### Qualifications of supervisors

- (1) are familiar with and capable of implementing the relevant laws, administrative regulations and rules and regulations of the state;
- (2) have professional knowledge in finance, accounting, auditing or macro-economy, and are relatively familiar with the Company's operation and management;
- (3) comply with the law, adhere to principles, maintain integrity and self-discipline, act with impartiality and keep confidential the secrets;
- (4) have a strong capability of comprehensive analysis and judgment, and have the ability to work independently;
- (5) be able to safeguard the rights and interests of the investors, and have a high sense of responsibility for maintaining and increasing the value of the Company's assets.

#### **Article 5**

Directors, general managers, other senior management personnel of the Company, public servants of the state and persons prohibited from serving as supervisors by the relevant regulatory agencies shall not concurrently serve as supervisors of the Company.

Where a person falls under any of the circumstances specified in Article 146 of the Company Law, or has been prohibited from entering the market by the CSRC and the prohibition has not been removed, such person may not serve as a supervisor of the Company.

**Article 6**

The term of office of supervisors shall be three years. A supervisor shall in general not be removed from office during his/her term. A supervisor may be re-elected and re-appointed upon expiry of his/her term of office.

A supervisor may resign before the expiry of his/her term of office. A supervisor shall submit a written resignation report to the Supervisory Committee.

In the event that the terms of office of supervisors fall upon maturity whereas new members of the Supervisory Committee have not been re-elected in time, or the resignation of any supervisor during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, the existing supervisors shall continue to perform their duties in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisors assume their office.

**Article 7**

The Supervisory Committee shall establish a Supervisory Committee office, which shall be its working organ and shall deal with relevant matters under the leadership of the Supervisory Committee and the chairman of the Supervisory Committee.

The chairman of the Supervisory Committee shall concurrently serve as the person-in-charge of the Supervisory Committee office and keep the seal of the Supervisory Committee. The chairman of the Supervisory Committee may require the securities affairs representative or other personnel to assist in dealing with the daily affairs of the Supervisory Committee.

**CHAPTER 3 FUNCTIONS, POWERS, RESPONSIBILITIES AND OBLIGATIONS OF THE SUPERVISORY COMMITTEE**

**Article 8**

The Supervisory Committee shall exercise the following functions and powers in accordance with law:

- (1) to review the Company's periodic reports and provide written review opinions;
- (2) to examine the Company's financial condition;

- (3) to monitor whether the directors, general managers, deputy general managers and other senior management of the Company act in contradiction with the laws, administrative regulations or the Articles of Association; to make suggestions on the removal of directors or senior management personnel who violate laws and regulations, the Articles of Association or the resolutions of the general meeting, and where the Supervisory Committee identifies violation of laws and regulations, the relevant provisions of the stock exchange(s) where the Company's shares are listed and the Articles of Association by the directors or senior management personnel, it shall notify the board or report to the general meeting and disclose the same in a timely manner;
- (4) to demand rectification from a director, the general manager, deputy general managers or other members of the senior management of the Company when the acts of such persons are prejudicial to the Company's interests;
- (5) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board to the general meetings and, should any queries arise, to organise, in the name of the Company, a re-examination by the registered accountants and practicing auditors;
- (6) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage the professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;
- (7) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by law;
- (8) to put forward proposals to the general meeting;
- (9) to represent the Company in negotiation with directors and senior management personnel or to institute an action against the directors and senior management personnel;
- (10) other powers specified in the laws, regulations, departmental rules, and relevant provisions of the securities regulatory authorities where the Company's shares are listed, the Articles of Association and granted by the general meeting.

**Article 9**

The chairman of the Supervisory Committee shall exercise the following functions and powers in accordance with law:

- (1) to convene and preside over the meetings of the Supervisory Committee;
- (2) to inspect the implementation of resolutions of the Supervisory Committee;
- (3) to review and sign reports of the Supervisory Committee and other important documents;
- (4) to report the work to the general meeting on behalf of the Supervisory Committee;
- (5) other functions and powers that shall be performed by the chairman of the Supervisory Committee in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 10**

In discharging its supervision duties, the Supervisory Committee may adopt the following measures in response to the problems identified:

- (1) to issue written notice and demand rectification;
- (2) to request verification by the audit and supervision departments of the Company;
- (3) to appoint public qualified accounting firm(s), audit firm(s), law firm(s) and other professional institutions to verify and obtain evidence;
- (4) to propose the convening of an extraordinary general meeting;
- (5) to report or lodge complaint(s) to the relevant state supervisory authorities and judicial organs.

**Article 11**

The supervisors shall perform the following obligations:

- (1) to comply with the Articles of Association and implement the resolutions of the Supervisory Committee;

- (2) to ensure timely and fair information disclosure by the Company, and the truthfulness, accuracy and completeness of the information disclosed and sign written confirmation for the regular reports. Where the supervisors cannot guarantee the truthfulness, accuracy and completeness of the securities issuance documents and regular reports or object to such documents and reports, they shall express opinions and state reasons in the written confirmations and the Company shall disclose the same. Where the Company fails to disclose, the supervisors may directly apply for disclosure;
- (3) to perform his/her supervision duties faithfully and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own or others' private benefits, abuse his/her powers to accept bribes or other unlawful income or misappropriate the Company's properties;
- (4) not to divulge confidential information of the Company unless required under laws or approved by the general meeting;
- (5) to be responsible for the truthfulness and compliance of the reports or supervisory documents submitted to the general meeting;
- (6) the supervisors shall strengthen the study of laws, regulations and policies, focus on investigation and research, and improve their professional capability.

## **Article 12**

### Responsibilities of supervisors

Supervisors shall not use their related party relationship to prejudice the Company's interests and shall be liable for damages if they cause any loss to the Company.

Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for damages.

In the event that the resolutions of the Supervisory Committee prejudice the legitimate rights and interests of the investors, the Company and the employees, supervisors participating in voting on such resolutions shall be held accountable. A supervisor who votes against such resolution, and has been proved as having expressed dissenting opinions which have been recorded in the minutes of the meeting shall be exempted of the liabilities.



**CHAPTER 4 CONSIDERATION METHOD AND PROCEDURES OF THE MEETINGS  
OF THE SUPERVISORY COMMITTEE**

**Article 13** The consideration method of the Supervisory Committee shall primarily comprise regular meetings and extraordinary meetings.

**Article 14** Regular meetings of the Supervisory Committee shall be held on a semi-annual basis and the subject matters shall in general comprise:

- (1) to review the annual and interim reports of the Company, and provide analysis and advice from the perspectives of operating risks, compliance operation, effective management and asset losses;
- (2) to primarily assess the implementation of the budget, asset operation, implementation of major investment decisions, asset quality and value maintenance and accruals thereon of the Company;
- (3) to discuss the work report of the Supervisory Committee, amendments to material systems, work plan and work summary.

**Article 15** The Supervisory Committee shall convene an extraordinary meeting within ten days of the occurrence of any one of the following circumstances:

- (1) when any supervisor so requests;
- (2) when a general meeting or a board meeting passed resolutions that violate the provisions and requirements of laws, rules, regulations and supervisory authorities, the Articles of Association, the resolutions of general meeting of the Company and other relevant provisions;
- (3) when the malpractice of the directors and senior management may cause material damage to the Company or result in material adverse effect in the market;
- (4) when lawsuits are filed by shareholders against the Company, its directors, supervisors and the senior management;
- (5) when the Company, its directors, supervisors and senior management are punished by securities regulatory authorities or censured publicly by the stock exchange(s) of the place(s) where the shares of the Company are listed;

- (6) when the securities regulatory authorities so request;
- (7) when a thematic research and demonstration is conducted on specific matters of the Company or the board of directors and the general manager are invited to provide relevant advice;
- (8) when the Supervisory Committee considers it necessary to appoint public accounting, audit and law firms to provide professional advice on certain material supervision matters;
- (9) other circumstances as stipulated in the Articles of Association.

## **Article 16**

### Convening procedures of extraordinary meetings

Where the supervisors propose to convene an extraordinary meeting, written proposal signed by the proposing supervisors shall be submitted to the chairman of the Supervisory Committee directly. The written proposal shall include:

- (1) name of the proposing supervisors;
- (2) the grounds for the proposal or the objective matters the proposal is based on;
- (3) the date or period of time, venue and form of the proposed meeting;
- (4) the specific and detailed proposal;
- (5) the contact information of the proposing supervisors and the date of proposal, etc..

The chairman of the Supervisory Committee shall issue the notice to convene the extraordinary meeting within three days upon the chairman receiving the written proposal of the supervisor.

Where the chairman of the Supervisory Committee slacks in the issue of notice of the meeting, the proposing supervisor shall timely report to the regulatory authorities.

**Article 17**

Issue of meeting notice

Written notice of the regular or extraordinary meeting of the Supervisory Committee shall be served by the chairman of the Supervisory Committee to all the supervisors by direct delivery, facsimile, mail (including e-mail) or other means as required under the Articles of Association 10 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Should an extraordinary meeting of the Supervisory Committee be required to convene as soon as possible in case of emergency, the notice may be given orally or by phone at any time, but the convener shall give explanations at the meeting.

**Article 18**

Content of the meeting notice

A written notice of the meeting shall include:

- (1) the time and venue of the meeting;
- (2) the method of convening the meeting;
- (3) matters to be considered (proposal of the meeting);
- (4) convener and chairman of the meeting, proposer of the extraordinary meeting and his/her written proposal;
- (5) meeting materials necessary for voting by supervisors;
- (6) requirements that supervisors shall attend the meeting in person;
- (7) contact person and contact information;
- (8) the date of the notice.

The oral notice of a meeting shall at least include items (1), (2) and (3) above, as well as an explanation of the emergency to convene an extraordinary meeting of the Supervisory Committee as soon as possible.

**Article 19** Convening and presiding of meetings

Meetings of the Supervisory Committee shall be convened and presided by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the vice-chairman of the Supervisory Committee shall convene and preside at the meeting. If there is no vice-chairman or the vice-chairman is unable or fails to perform his/her duties, the meeting shall be convened and presided over by a supervisor elected by more than half of the supervisors.

**Article 20** Convening method of meetings

The meetings of Supervisory Committee shall in principle be convened on site.

Where necessary, meetings of the Supervisory Committee may be convened through circulation of written proposals, teleconference, videoconference, facsimile, e-mail or similar communication channels. At the meeting held through teleconference or similar communication channels, so long as the participating supervisors can clearly hear and communicate with each other, all participating supervisors are deemed to have participated in the meeting in person.

**Article 21** Convening of meetings

The Supervisory Committee meeting may be held if two-thirds or more of supervisors attend such committee.

The secretary to the board and the securities affairs representative shall be present at the meeting of the Supervisory Committee.

**Article 22** Consideration procedures of meetings

The chairman of the meeting shall request the attending supervisors to express clear opinions on each proposal.

Based on the proposal of the supervisors, the chairman of the meeting shall require the directors, senior management, other employees of the Company or the business personnel of relevant intermediary organs to attend the meeting for inquiry.

**Article 23**

Supervisors shall attend meetings as scheduled, fully express their opinions on matters to be considered or discussed and clarify his/her stance. Where a supervisor is unable to attend the meeting due to certain reasons, he/she may appoint in writing another supervisor to attend the meeting and exercise the functions and powers on his/her behalf. The proxy form shall state the name of the proxy, the matters of appointment, scope of authorisation and validity period, and shall be signed or a seal shall be affixed by the appointer, who shall then be deemed to have attended relevant meeting. If any supervisor fails to attend meetings of the Supervisory Committee in person or by proxy for two consecutive times, the Supervisory Committee shall propose that the general meeting replace the said supervisor.

**Article 24**

Where the Supervisory Committee needs to listen to the opinions of experts or the board of directors and the general manager on issues involved in the relevant matters to be considered or discussed by the Supervisory Committee, experts, members of the board of directors and leading members of the general manager may be invited to be present at the meeting. Participants shall have the right to state their opinions on certain matters but without voting rights.

**Article 25**

Resolutions of the Supervisory Committee

At a meeting of the Supervisory Committee, each supervisor shall cast one vote, in the forms such as registered ballot, in writing and otherwise permitted by laws, regulations and regulatory rules of the place(s) where shares of the Company are listed.

The voting intent of a supervisor may be “for”, “against” or “abstain”, from which each attending supervisor shall select one. If a supervisor fails to select any option or selects more than two options, the chairman of the meeting shall require the relevant supervisor to select again, and if the supervisor refuses to make a selection, he/she shall be deemed to have abstained. If a supervisor leaves the venue during the course of a meeting without returning to make a selection, he/she shall be deemed as having abstained from voting. Where a supervisor votes against or abstains from voting on any proposal, he/she shall give reasons in this regard.

Resolutions of the Supervisory Committee shall be passed by more than two-thirds of its members.

**Article 26**

## Recording of the meeting

Voice recording may be made, when necessary, throughout the meeting of the Supervisory Committee.

**Article 27**

After a resolution is made by the Supervisory Committee, matters falling within the scope of duties of the general manager shall be organised and implemented by the general manager, and the circumstances of implementation shall be reported to the Supervisory Committee in a timely manner or to the chairman of the Supervisory Committee during the intermission of meetings of the Supervisory Committee. For matters beyond the scope of duties of the general manager, the Supervisory Committee shall arrange for the relevant departments to organise and implement and hear its report thereon. The Supervisory Committee office shall be responsible for transmission of written materials of resolutions of the Supervisory Committee and the implementation circumstances thereof to directors, supervisors and the general manager.

Supervisors shall supervise and urge the relevant persons to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall report the implementation progress of the effected resolutions at the subsequent meetings of the Supervisory Committee, if applicable.

**Article 28**

Minutes of the Supervisory Committee meeting shall be earnestly prepared, and the attending supervisors and the recording personnel shall sign on the meeting minutes. Supervisors are entitled to require certain specific explanatory recording in respect of their statements made at the meeting. The meeting minutes shall include the followings:

- (1) the session, date, venue and method of convening;
- (2) service of the meeting notice;
- (3) convener and chairman of the meeting;
- (4) attendance at the meeting;
- (5) the proposals to be considered at the meeting, the key points and major opinions of each supervisor's speech on relevant matters, and the voting intent on the proposal;
- (6) voting method and results of each proposal (the voting results shall indicate the votes for, against or abstention from voting);

(7) other matters to be recorded in the opinion of the attending supervisors.

For a meeting of the Supervisory Committee held by correspondence, the chairman of the Supervisory Committee shall organise the meeting minutes with reference to the aforesaid requirements.

**Article 29**

The attending supervisors shall sign on the meeting minutes and resolutions record for confirmation. Supervisors shall warrant the truthfulness, accuracy and completeness of the resolutions of the Supervisory Committee, and that there is no misrepresentation, misleading statement or material omission. Any supervisor who has different views on the meeting minutes or the resolution record may make written explanation when signing the minutes. Where necessary, he/she may make public statements.

Where a supervisor neither signs for confirmation as required by the preceding paragraph nor provides the written explanation for his/her different opinions or gives public statement, the said supervisor shall be deemed to have fully agreed with the content of the meeting minutes and resolution record.

**Article 30**

Announcement of resolutions

The announcements on the resolutions of the Supervisory Committee in relation to A shares shall be dealt with by the secretary to the board in accordance with the requirements of the Sci-tech Innovation Board Listing Rules. Where the Stock Exchange Listing Rules stipulate otherwise, such provisions shall prevail.

**Article 31**

Preservation of meeting archives

Archives of meetings of the Supervisory Committee, including notices of meeting and meeting materials, attendance book, voice recording of meeting, ballots, meeting minutes signed by the attending supervisors, resolutions records, etc., shall be kept by the secretary to the board of directors.

Archives of the meetings of the Supervisory Committee shall be preserved for at least ten years.

**Article 32**

In the exercise of its supervision right, the Supervisory Committee shall not perform the duties in lieu of the board of directors or the general manager, nor undertake any operating activity on behalf of the Company.

## **CHAPTER 5 REWARDS AND PUNISHMENTS**

**Article 33** For members of the Supervisory Committee who have achieved outstanding results in the course of performing their duties and have made significant contributions in safeguarding the interests of the Company and the shareholders, it shall be proposed to the general meeting to grant rewards to them.

**Article 34** In any of the following circumstances, a supervisor shall be subject to sanctions or disciplinary actions in accordance with laws and the Articles of Association based on severity until removal from the supervisory duties. In case of a suspected crime, he/she shall be referred to a judicial authority to investigate the criminal liability:

- (1) concealing material non-compliance of the Company or serious dereliction;
- (2) falsifying inspection reports while checking the financial affairs of the Company;
- (3) acts in violation of the conducts listed in Article 12 of these Rules.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 35** The Supervisory Committee shall be responsible for guiding the work of the supervisory committees of its subsidiaries (including controlling subsidiaries). Where necessary, it may authorise the Supervisory Committee office to organise financial supervision team to conduct special inspection on the financial condition of its subsidiaries.

**Article 36** The Company shall provide the necessary office conditions for the Supervisory Committee, and the expenses incurred in the work of the Supervisory Committee shall be covered by the special funds of the Company.

**Article 37** Unless otherwise specified, capitalised terms used in these Rules shall have the same meanings as defined in the Articles of Association.

**Article 38** These Rules shall take effect upon approval at the general meeting. Any amendment to these Rules shall be proposed by the Supervisory Committee in form of an amendment proposal, and submit to the general meeting for approval.

**Article 39** These Rules shall be interpreted by the Supervisory Committee.

**Zhuzhou CRRC Times Electric Co., Ltd.**

17 June 2022