

Policy for Independent Directors of ADAMA Ltd.

Chapter I General Provisions

Article 1 This Policy is formulated for the purpose of improving the governance structure of ADAMA Ltd. (hereinafter referred to as the “Company”) and promoting the standardized operation of the Company in accordance with “*Measures for the Administration of Independent Directors of Listed Companies*” of China Securities Regulatory Commission (CSRC), the “*Code of Governance for Listed Companies*”, the “*Shenzhen Stock Exchange's Self-disciplinary Supervision Guideline for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board*”, the “*Articles of Association of the Company*”, as well as other laws, regulations and normative documents.

Article 2 An independent director is a director who does not hold any position other than that of a director in the Company and does not have any direct or indirect interest in the Company, its major shareholders or the actual controller that may affect his/her independent and objective judgement.

Article 3 The independent directors shall be obliged to act in good faith and diligently towards the Company and all shareholders, and should conscientiously perform their duties and play the roles of participating in decision-making, supervising and balancing, and professional consulting in the Board of Directors, so as to safeguard the interests of the Company as a whole, and to protect the lawful rights and interests of the minority shareholders.

Article 4 The independent directors should ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

Chapter II Qualifications for Independent Directors

Article 5 Independent directors should meet the following basic conditions:

- (i) Qualified to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (ii) Meeting requirements on independency set out in Article 6 of this Policy;

- (iii) Having basic knowledge of the operation of listed companies and being familiar with relevant laws, administrative regulations and rules;
- (iv) Having five and more years of legal, economic, accounting or other working experience necessary for performing the duties of an independent director;
- (v) Good personal integrity, no material breach of trust and other adverse records;
- (vi) Other conditions stipulated by laws, administrative regulations, CSRC regulations, business rules of the Shenzhen Stock Exchange and the *Articles of Association* of the Company.

Article 6 Independent directors must be independent, and the following persons shall not serve as independent directors,

- (i) Persons serving in the Company or the Company's subsidiaries and their immediate family members and major social relations;
- (ii) Natural person shareholders who directly or indirectly hold 1% and above of the Company's outstanding shares or who are among the top ten shareholders of the Company, and their immediate family members;
- (iii) Persons who work for shareholders which directly or indirectly hold 5% and above of the Company's outstanding shares or for the top five shareholders of the Company and their immediate family members;
- (iv) Persons serving in the subsidiaries of the Company's controlling shareholders or actual controllers and their immediate family members;
- (v) Persons having material business exchanges with the Company and its controlling shareholders, actual controllers or their respective subsidiaries, or persons serving in units that have material business dealings with the Company, its controlling shareholders or actual controllers;
- (vi) Persons providing financial, legal, consulting and insurance services to the Company, its controlling shareholders, actual controllers or their respective subsidiaries, including, but not limited to, all the personnel of a certain project team of any agency providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and executives;
- (vii) Persons who have been involved in any of the circumstances listed in the preceding six items within the last one year;
- (viii) Other persons who do not possess independence as stipulated in the laws, administrative regulations, CSRC regulations, business rules of the Shenzhen Stock

Exchange and the *Articles of Association* of the Company.

The subsidiaries of the Company's controlling shareholders and its actual controllers in Item iv to vi of the preceding paragraph do not include enterprises controlled by the same state-owned asset management institution as the Company and which do not constitute a connected-party relationship with the Company in accordance with the relevant provisions.

The independent directors should conduct annual self-examination of the independence status and submit the self-examination results to the Board of Directors. The Board of Directors should annually assess the status and issue a special opinion, which should be disclosed at the same time as the annual reports.

Article 7 Candidates for independent directors should not be in the following circumstances:

- (i) Those who have been subject to administrative penalties by CSRC or criminal penalties by the judicial authorities for securities and futures violations and crimes within the recent thirty-six months;
- (ii) Being investigated by CSRC or the judicial authorities for suspected securities and futures offences, with no clear conclusive opinion yet;
- (iii) Being publicly reprimanded or being notified of criticism for three times and above by the stock exchange within the recent thirty-six months;
- (iv) Material breach of trust and other adverse records;
- (v) Having been dismissed by the Board of Directors at a general meeting of shareholders within last twelve months for failing to attend in person or to delegate other independent directors to attend two consecutive meetings of the Board of Directors during the previous period of service as an independent director;
- (vi) Other circumstances prescribed by laws, regulations and the Shenzhen Stock Exchange.

Chapter III Nomination, Election and Appointment

Article 8 The Board of Directors, the Supervisory Board and shareholders who individually or collectively hold 1% and above of the issued shares of the Company may propose candidates for independent directors for election by the general meeting of shareholders.

An investor protection agency established by law may publicly request shareholders to

entrust itself to exercise the right to nominate independent directors on their behalf. A nominator as provided for in Paragraph 1 shall not nominate as a candidate for independent director a person in whom it has an interest or a closely related person who has other circumstances that may affect the independent performance of his or her duties.

Article 9 The nominator of an independent director should obtain the consent of the nominee before making the nomination. The nominator should fully understand the nominee's occupation, academic qualifications, job title, detailed working experience, all part-time jobs, any record of material breach of trust etc., and express an opinion on whether he or she meets the independence requirements as well as other conditions for serving as an independent director, and the nominee should make a public statement on whether he or she meets the independence requirements and other conditions for serving as an independent director.

Article 10 The Nomination Committee of the Company should examine the qualifications of the nominee for the position and form a clear examination conclusion. Prior to the convening of the general meeting of shareholders for the election of independent directors, the Company should disclose the relevant contents in accordance with the provisions of Article 9 and the preceding paragraph and submit relevant documents of all nominees to the Shenzhen Stock Exchange, which will examine the qualifications and independence of the candidates. The Company should not submit the nominees to the general meeting of shareholders for election if the Shenzhen Stock Exchange holds any objection to them.

Article 11 The Board of Directors of the Company should, when convening the general meeting of shareholders for the election of independent directors, explain whether the candidates for independent directors have been objected to by the Shenzhen Stock Exchange.

Article 12 When the general meeting of shareholders votes for two or more independent directors, a cumulative voting mechanism should be implemented. The votes of minority shareholders should be counted and disclosed separately.

Article 13 The term of office of an independent director is same as other directors of the Company, and upon expiry of the term of office, he/she may be re-elected for the next consecutive term, but the consecutive terms of office shall not exceed six years.

Article 14 If an independent director fails to meet the conditions of independence or other qualifications for the position after taking office, he or she should immediately cease to perform the duties and resign from the position. If he or she fails to resign, the Board of Directors should immediately remove him or her in accordance with the provisions of the law after it knows or should have known of the occurrence of such fact.

If an independent director fails to attend two consecutive meetings of the Board of Directors in person and does not appoint another independent director to attend on his/her behalf, the Board of Directors should, within thirty days from the date of occurrence, propose to convene a general meeting of shareholders to remove such independent director from the position.

If the dismissal of an independent director results in the proportion of independent directors on the Board of Directors or its specialized committees failing to comply with the provisions of laws and regulations or the Company's *Articles of Association*, or if there is a shortage of accounting professionals among the independent directors, the Company should complete the by-election of such independent directors within sixty days from the date of the occurrence of the aforesaid fact.

Where the Company dismisses an independent director in advance, it should timely disclose the specific reasons and justifications. The removed independent director may submit objections and reasons if he or she believes that the Company's reasons for removal are improper, and the Company should disclose them in a timely manner.

Article 15 An independent director may resign before the expiry of his term of office. An independent director who resigns should submit a written resignation letter to the Board of Directors, explaining any circumstances related to his resignation or which he considers necessary to draw the attention of the shareholders and creditors of the Company. If the number of independent directors on the Board of Directors of the Company is less than the prescribed number due to the resignation of an independent director, the resignation letter of the independent director should take effect after the next independent director fills the vacancy.

Chapter IV - Responsibilities and Duty Performance

Article 16 Independent directors perform the following duties:

- (i) To participate in the decision-making of the Board of Directors and express clear opinions on the matters deliberated.
- (ii) To supervise the potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management as set out in Article 21 of this Policy, *the Implementing Rules of the Audit Committee of the Board of Directors, the Implementing Rules of the Nomination Committee of the Board of Directors and the Implementing Rules of the Remuneration and Assessment Committee of the Board of Directors* and to promote the decision-making of the Board of Directors to be in line with the interests of the Company as a whole, and to protect the legitimate rights and interests of minority shareholders.
- (iii) To provide professional and objective advice on the Company's operation and development and enhance the Board of Directors' decision-making level.
- (d) Other duties as stipulated by laws, administrative regulations, CSRC regulations and the *Articles of Association* of the Company.

Article 17 The independent directors exercise the following special rights,

- (i) To independently engage agencies to audit, consult or verify specific company matters.
- (ii) To propose to the Board of Directors to convene an extraordinary general meeting of shareholders.
- (iii) To propose to convene meetings of the Board of Directors.
- (iv) To publicly solicit shareholders' rights from shareholders in accordance with the law.
- (v) To express independent opinions on matters that may prejudice the interests of the Company or minority shareholders.
- (vi) Other duties and rights prescribed by laws, administrative regulations, the CSRC and the *Articles of Association* of the Company.

Independent directors should obtain the consent of one-half and above of all independent directors to exercise the rights listed in the first to third items of the preceding paragraph. The Company should disclose in a timely manner if the independent directors exercise the rights listed in the first paragraph. If the above rights

cannot be exercised normally, the Company should disclose the relevant circumstances and reasons.

Article 18 The independent directors should attend the meetings of the Board of Directors in person. If he/she is unable to attend the meetings in person for any reason, he/she should review the materials of the meeting in advance, form a clear opinion and entrust other independent directors in writing to attend the meeting on his/her behalf.

Article 19 If an independent director casts an opposing vote or abstains from voting on a Board of Directors' proposal, he/she should state the specific reasons and grounds, the legality and compliance of the matter involved in the proposal, the possible risks and the impact on the interests of the Company and the small and medium-sized shareholders, etc. The Company should disclose the dissenting opinions of the independent directors when disclosing the resolutions of the Board of Directors and set out the same in the resolutions of the Board of Directors and the minutes of the meeting.

Article 20 The independent directors should pay continuous attention to the implementation of the resolutions of the Board of Directors relating to the duties and authorities set out in Article 21 of this Policy, the Implementing Rules of the Audit Committee of the Board of Directors, the Implementing Rules of the Nomination Committee of the Board of Directors and the Implementing Rules of the Remuneration and Assessment Committee of the Board of Directors. If any violation of the provisions of laws, administrative regulations, CSRC rules, business rules of the Shenzhen Stock Exchange and the Articles of Association of the Company is found, or any violation of the resolutions of the general meeting of shareholders and the Board of Directors is found, the independent directors should report to the Board of Directors in a timely manner and may request the Company to make a written explanation. Where disclosure matters are involved, the Company should make timely disclosure.

If the Company fails to make an explanation or timely disclosure in accordance with the provisions of the preceding paragraph, the independent directors may report to the CSRC and the Shenzhen Stock Exchange.

Article 21 The following matters should 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 should be disclosed;
- (ii) Programmes for the Company and related parties to change or waive their commitments;
- (iii) Decisions made and measures taken by the board of directors of the acquired listed company in respect of the acquisition;
- (iv) Other matters as provided by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 22 The Company should hold meetings attended by all independent directors alone (hereinafter referred to as the "Specialized Meeting of Independent Directors") on a regular or irregular basis. Matters listed in the first paragraph (i) to (iii) of Article 17 and Article 21 of this Policy should be considered by the Specialized Meeting of Independent Directors.

The Specialized Meeting of Independent Directors may study and discuss other matters of the Company as needed.

The Specialized Meeting of Independent Directors should be convened and chaired by an independent director jointly elected by a simple majority of the independent directors; if the convenor is not performing his duties or is unable to perform his duties, two or more independent directors may convene and elect a representative to preside over the meeting.

The Company should provide facilities and support for the convening of the Specialized Meeting of Independent Directors.

Article 23 When independent directors express independent opinions, the types of opinions include: approval, reservation and reasons thereof; dissenting opinion and reasons thereof; and inability to express an opinion and obstacles thereto. Where reservations, objections or inability to express an opinion are made, the independent directors concerned should clearly state the reasons and justifications. The opinions expressed should be clear and unambiguous. In the event that the independent directors are unable to reach a consensus, the Board of Directors should disclose the opinions of each independent director separately.

Article 24 Independent directors should perform their duties in the specialized

committees of the Board of Directors of the Company in accordance with the laws, administrative regulations, the provisions of the CSRC, the business rules of the Shenzhen Stock Exchange and the Articles of Association of the Company. Independent directors should attend the meetings of the specialized committees in person, and if they are unable to attend the meetings in person for any reason, they should review the materials of the meetings in advance, form a clear opinion and entrust other independent directors in writing to attend the meetings on their behalf. If the independent directors are concerned about material matters of the Company within the scope of the duties of the special committee in the performance of their duties, they may, in accordance with the procedures, timely submit them to the specialized committees for discussion and deliberation.

Article 25 The independent directors should 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 specialized committees, and Specialized Meetings of Independent Directors as required, the independent directors may perform their duties by obtaining information on the operation of the Company on a regular basis, listening to reports from the management, communicating with the head of the internal audit department and the accounting firm undertaking the Company's auditing business and other intermediaries, conducting on-site inspections, and communicating with the small and medium-sized shareholders, and in various other ways.

Article 26 The Board of Directors of the Company, its specialized committees and Specialized Meetings of Independent Directors should produce minutes of the meetings in accordance with the regulations, and the opinions of independent directors should be set out in the minutes. The independent directors should sign to confirm the minutes.

The independent directors should make working records, recording in detail the performance of their duties. Information obtained by independent directors in the course of performing their duties, minutes of relevant meetings, records of communications with staff of the Company and intermediaries, etc., form an integral part of the work records. For important contents in the work records, the independent directors may request the Secretary of the Board and other relevant personnel to sign to confirm, and the Company and relevant personnel should cooperate.

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

Article 27 The Company should enhance the communication mechanism between independent directors and small and medium-sized shareholders, and independent directors may timely verify with the Company on issues raised by investors.

Article 28 The independent directors should submit annual working report to the annual general meeting of shareholders of the Company to explain the performance of their duties. The annual working report should include the following contents:

(i) The number of times, methods and votes attended at the Board of Directors and the number of times attended at the general meeting of shareholders.

(ii) Participation in the work of specialized committees of the Board of Directors and Specialized Meetings of Independent Directors.

(iii) Consideration of matters relating to the responsibilities and authorities set out in Article 21 of this Policy, the Implementing Rules of the Audit Committee of the Board of Directors, the Implementing Rules of the Nomination Committee of the Board of Directors and the Implementing Rules of the Remuneration and Assessment Committee of the Board of Directors, as well as the exercise of the special powers of the Independent Directors as set out in the first paragraph of Article 17 of this Policy.

(iv) Communication with the internal audit department and the accounting firm undertaking the Company's auditing business in respect of the Company's financial and business status on material matters, the manner and results thereof.

(v) Communication with small and medium shareholders.

(vi) The time and content of on-site work at the Company, etc.

(vii) Other circumstances of the performance of duties.

The annual working report of the independent directors should be disclosed no later than the announcement of the notice of the annual general meeting of shareholders by the Company.

Article 29 The independent directors should continuously strengthen the study of securities laws, regulations and rules, and continuously improve their ability to perform their duties.

Chapter V Guarantees to Perform Duties

Article 30 The Company should provide the necessary working conditions and team support for the independent directors to exercise their duties, and designate the Department of Securities and Legal Affairs, the Secretary of the Board and other specialized departments and personnel to assist the independent directors to perform their duties.

The Secretary of the Board should ensure the smooth communication of information among the independent directors and other directors, senior management and other relevant personnel, and ensure that the independent directors are able to obtain sufficient resources and necessary professional advice in the performance of their duties.

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

Article 32 The Company should send the independent directors notices of board meetings and provide sufficient information in a timely manner in accordance with the time stipulated by laws and the *Articles of Association*. The independent directors may request for supplementation of the information if they consider that the information is insufficient. When two independent directors consider that the meeting materials are incomplete, insufficiently argued or not provided in a timely manner, they may jointly propose in writing to postpone the convening of the Board of Directors or postpone the consideration of part of the matters discussed by the Board of Directors, and the Board of Directors should adopt such proposal. The Company should keep the aforementioned meeting materials for at least ten years.

Article 33 When an independent director exercises one's duties and rights, the relevant personnel of the Company should actively co-operate and shall neither refuse, hinder or conceal nor interfere with the independent exercise.

If an independent director encounters obstruction in the exercise of one's duties and rights in accordance with the law, he or she may explain the situation to the Board of Directors, request the directors, senior management and other relevant personnel to co-

operate, and record the specific circumstances of the obstruction and the resolution of the situation in the work records; if he or she still fails to eliminate the obstruction, the independent director may report to CSRC and the Shenzhen Stock Exchange.

If the performance of duties by an independent director involves matters that should be announced, the Company should make an announcement in a timely manner. If the Company refuses to disclose, the independent directors may directly apply for disclosure or report to the CSRC and the Shenzhen Stock Exchange.

Article 34 The expenses incurred by an independent director in engaging an agency and other expenses required for the exercise of his/her duties should be borne by the Company.

Article 35 The Company should grant appropriate allowances to independent directors, and the criteria for such allowances should be formulated by the Board of Directors, considered and approved by the shareholders' general meeting, and disclosed in the annual report of the Company.

In addition to the aforesaid allowances, the independent directors should not obtain additional benefits from the Company and its major shareholders, actual controllers or interested organizations and persons.

Chapter VI Supplementary Provisions

Article 36 This Policy should be interpreted by the Board of Directors of the Company.

Article 37 In the event that any matter not covered in this Policy or there is any conflict between this Policy and the relevant laws, administrative regulations, regulatory documents, the *Articles of Association* of the Company and other relevant provisions, provisions of the laws, administrative regulations, regulatory documents and the *Articles of Association* of the Company shall prevail.

Article 38 This Policy should be implemented from the date of consideration and adoption by the shareholders' general meeting of the Company. The former Independent Directors' Policy considered and adopted at the Third Extraordinary General Meeting of Shareholders in 2017 should be repealed at the same time.