



吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock codes: 175 (HKD counter) and 80175 (RMB counter)

TERMS OF REFERENCE OF AUDIT COMMITTEE

Composition of the Audit Committee (the “Committee”)

Please refer to the “List of Directors and their Role and Function” as in force from time to time and published on the websites of both the Company and The Stock Exchange of Hong Kong Limited for identification of the Committee members.

Constitution of the Committee

The Committee shall comprise at least three members, all of whom shall be non-executive directors, with a majority being independent non-executive directors. At least one member shall possess appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Chairperson of the Committee (the “**Committee Chairperson**”) shall be appointed by the board of directors of the Company (the “**Board**”) and shall be an independent non-executive director.

The Board may from time to time appoint additional members to the Committee from the non-executive directors, provided that the majority of the Committee and the Committee Chairperson are independent non-executive directors.

Meetings and Quorum

The Committee shall meet at least two times a year with the external auditor to review financial statements, internal controls, and risk management systems, and at such other times as the Committee determines appropriate. The Committee Chairperson may convene additional meetings at his/her discretion.

The quorum for meetings shall be two Committee members, one of whom should be the Committee Chairperson, unless they are unable to attend due to exceptional circumstances.

The Committee may invite any director(s), executive(s), external auditor(s), or other person(s) to attend any meeting(s) of the Committee as it deems necessary to assist in fulfilling its objective(s).

Full minutes of the Committee meetings shall be kept by a duly appointed secretary of the meetings. Draft and final versions of minutes shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.

Role and Authority of the Committee

The Committee is authorised by the Board to investigate any activity within its terms of reference; and to seek any information it requires from any employee(s), with all employees directed to cooperate with any request made by the Committee.

The Committee shall be provided with sufficient resources to perform its duties and is authorised to obtain external legal or other independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise, at the Company's expense, if it considers this necessary.

The Committee shall act as the key representative body for overseeing the Company's relations with the external auditor.

Functions of the Committee

The Committee shall:

1. be primarily responsible for making recommendations to the Board on the appointment, reappointment, and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal, in particular:
 - In case of change of auditor, delegate the company secretary to draft an announcement, confirming the reason(s) for the change and whether there are any matters that need to be brought to shareholders' attention, for the Board's approval for publication.
 - In case of removal of the auditor prior to the expiration of their term, delegate the company secretary to draft and dispatch a circular to shareholders containing any written representation from the auditor, who is also allowed to make written and/or verbal representations at the general meeting for their removal, for shareholders' approval.
 - Where the Board disagrees with the Committee's view on the selection, appointment, resignation, or dismissal of the external auditors, include in the Corporate Governance Report a statement from the Committee explaining its recommendation and the reason(s) why the Board has taken a different view.
2. review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, discussing with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3. develop, and implement a policy on engaging the external auditor to provide non-audit services, ensuring that such services do not impair the auditor's independence or objectivity. For this purpose, "external auditor" includes any entity under common control, ownership, or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm, whether nationally or internationally. The Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
4. monitor the integrity of the Company's financial statements, and annual report and accounts, half-year report, and, if prepared, quarterly reports, and review significant financial reporting judgements contained therein. In reviewing these reports before submission to the Board, the Committee shall focus on:
 - any changes in accounting policies and practices;
 - major judgemental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumptions and any qualifications;
 - compliance with accounting standards; and
 - compliance with the Listing Rules and legal requirements in relation to financial reporting.
5. liaise with the Board and senior management, and meet with the Company's auditors at least twice a year to consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, giving due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer, or auditors;
6. review the Company's financial controls, internal controls, and risk management systems, including those related to environmental, social, and governance (ESG) risks;
7. discuss the risk management and internal control systems with management to ensure that management has fulfilled its duty to establish effective systems, including the adequacy of resources, staff qualifications and experience, training programmes, and budget for the Company's accounting and financial reporting function;
8. consider major investigation findings on risk management and internal control matters, as delegated by the Board or on its own initiative, and management's response to these findings;

9. where an internal audit function exists, ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;
10. review the Group's financial and accounting policies and practices;
11. review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts, or systems of control, and management's responses;
12. ensure the Board will provide a timely response to the issues raised in the external auditor's management letter;
13. establish and review arrangements for employees and those who deal with the Company (e.g., customers and suppliers) to raise concerns, in confidence, about possible improprieties in financial reporting, internal control, or other matters, ensuring proper arrangements for fair and independent investigation and appropriate follow-up action.
14. report to the Board on decisions or recommendations relating to these terms of reference, unless prohibited by legal or regulatory restrictions (e.g., disclosure restrictions due to regulatory requirements), as the Committee deems necessary; and
15. consider other topics as defined by the Board, including the establishment and review of a whistleblowing policy for employees and stakeholders to confidentially report concerns about improprieties related to the Company.