

# **ADAMA Ltd.**

## **2023 Working Report of Independent Directors**

As an independent director of ADAMA Ltd. (hereinafter referred to as “the Company”), I performed my duties diligently, prudently and independently, followed the Company's operation and financial conditions in a timely manner, actively attended relevant meetings on time, earnestly deliberated all proposals of the Board of Directors and provided impartial, objective and independent opinions on related issues, thus safeguarding the interests of the Company and all of its shareholders and fulfilling our duties in the Company, all strictly in accordance with the *Company Law of the People's Republic of China*, the *Rules for Independent Directors of Listed Companies* and the Company's *Articles of Association* as well as its *Policy for Independent Directors*. I hereby reported my 2023 annual work as follows:

### **I. Basic Information of Independent Director**

#### **i. Work Experience, Professional Background and Positions in Other Organizations**

I hold a master degree in western accounting, and am a senior accountant, a certified Chinese public accountant as well as an Australian certified public accountant. I previously served as the chairman and chief accountant of Ernst & Young Hua Ming Certified Public Accountants Firm, and as the managing partner, chief accountant and senior advisor of Ernst & Young Hua Ming Certified Public Accountants (special general partnership). I currently serve as an independent director on the boards of AsiaInfo, China Tourism Group Duty Free Corporation Limited, GAC Aion New Energy Automobile Co., Ltd. and Apollobio Corp. I currently also serve on the supervisory boards of the Bank of Shanghai, Tencent Foundation as well as Taikang Insurance Group Inc., and serve as the executive director and general manager of

Beijing Huaming Fulong Accounting Consulting Co., Ltd.

## ii. Notice on Status of Independence

During my tenure as an independent director of the Company, I did not hold any position in the Company other than an independent director, nor did I hold any position in the Company's major shareholders. I had no relationship with the Company or its major shareholders that hindered my independent and objective judgment, and there was no situation that affected the independence of independent directors. I have complied with the relevant requirements of laws, regulations, normative documents regarding the independence of independent directors, including the Management Measures for Independent Directors of Listed Companies, Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1- Standardized Operation of Main Board Listed Companies, and the Articles of Association.

## II. Annual Duty Performance as Independent Director

### i. Participation in the Board Meetings and the General Meeting of Shareholders

In 2023, the Company held twelve (12) meetings of the Board of Directors with thirty-seven (37) proposals considered and all the motions were passed after discussion by the other attending Directors. In strict accordance with the provisions and requirements of *the Articles of Association, the Rules of Procedure of the Board of Directors and the Policy for Independent Directors*, I attended all the meetings of the Board of Directors on time by way of video conferencing and transmission of signatures, and I did not authorize to delegate any other independent directors to attend the meetings. I carefully considered the motions of the Board of Directors, independently, impartially and objectively expressed my opinions and exercised my voting rights in a prudent manner and voted in favor of the motions deliberated at each of the Board of Directors' meetings of the Company.

There were four shareholders' meetings held along the year and I attended all of them.

Attendance at Board Meetings and Shareholder Meetings					
Name	Required Attendance at Board Meetings	On-site Attendance	Attendance by Proxy	Absence	Attendance at Shareholders' Meetings
Ge Ming	12	12	0	0	4

## **ii. Participation in the specialized committees of the Board of Directors**

In 2023, the Company held six meetings of the Audit Committee, four of the Nomination Committee and three of the Remuneration and Evaluation Committee. As the chairman of the Audit Committee and a member of both the Remuneration and Evaluation Committee and the Nomination Committee, I participated in all sessions of the special committees and played a supervisory role by giving constructive opinions on the relevant matters considered by the Board of Directors.

For each of the topics of the Board of Directors and special committees, I have carefully understood the contents of the subject matter by listening to briefings by the management of the Company and the external auditor, reading documents and materials and reviewing relevant information. I have issued independent opinions with explicit consent for a total of six times and pre-approval opinions for a total of four times in respect of the Company's material matters such as related-party transactions, external guarantees, any fund appropriation by controlling shareholders and related parties, appointment of senior management, employment of accounting firms, internal control, profit distribution, deposit and use of raised fund, investment in derivatives and risk control, remuneration of senior management, etc.... I have played a positive role in the scientific and objective decision-making by the Board of Directors and actively contributed to the sound development of the Company.

## **iii. Communication with the internal audit department and the annual auditing firm of accountants**

In 2023, I regularly listened to presentations from the internal audit department of the Company on the implementation of the internal audit work plan and the buildup and practice of the internal control system, and on the verification of significant matters including external guarantees, related-party transactions, purchase of assets, and the Company's large amount of fund transactions as well as the situation of fund transactions with Directors and Supervisors, controlling shareholders, actual controllers and their associates in order to have in-depth discussion on the possible risks of the relevant issues and execution challenges. Regarding to the Company's annual report for 2022, the Independent Directors had separate pre-communication with the annual

auditing firm engaged by the Company prior to the convening of the relevant Audit Committee to discuss important financial topics in the annual audit and to understand the progress of the audit and issues.

#### **iv. On-site work at the Company and communication with small and medium-sized investors**

In 2023, I made on-site visits to the Company through various means such as attending the Board of Directors' meetings, shareholders' meetings, management exchanges and on-site research at the production plants, so as to fully understand the Company's operating conditions, financial performance and major projects, and to pay attention to the impact of changes in the external environment and the market on the Company. Resolutions passed by the Board of Directors were implemented and executed under the supervision of the Directors. In order to deepen my understanding of the Company's actual production and operation situation, I have separately conducted on-site research of the Company's Jingzhou site located in Hubei Province and Anpon site located in Jiangsu Province, listened to presentations from the local management teams, and conducted on-site inspections of the plants and neighboring operating sites.

I have continued to pay attention to the opinions of small and medium-sized investors on the Company and media reports. After the release of the Company's 2022 annual report, I actively participated in the online results exchange meeting as a bridge to strengthen interaction with investors and to widely understand the concerns and opinions of investors and brokerage firms regarding the Company's operation, reform and development and shareholders' returns.

### **III. Priorities of Duty Performance and Execution of Special Power of Independent Directors**

During my term of office in the year of 2023, I have given full attention to material matters of the Company, including related-party transactions, periodic reports, internal control evaluation reports, the engagement of accounting firms, the nomination of directors, and the appointment of senior management and the remuneration of senior management, and made independent and clear judgements in a fair and objective

manner, specifically as follows:

**i. Related-party transactions to be disclosed**

The Company's Board of Directors considered and disclosed four related-party transactions in 2023, including “Proposal on Credit Facilities from the Related Party” considered and approved on the 18<sup>th</sup> meeting of the 9<sup>th</sup> session of the Board of Directors held on February 15<sup>th</sup>, 2023, “Proposal on the Expected Related Party Transactions in the Ordinary Course of Business in 2023” considered and approved at the 19<sup>th</sup> meeting of 9<sup>th</sup> session of the Board of Directors held on March 19<sup>th</sup>, 2023, “Proposal on Credit Facility from the Related Party” considered and approved at the 24<sup>th</sup> meeting of the 9<sup>th</sup> session of the Board of Directors held on 28 August 2023 and the “Proposal on Signing of Supplemental Agreement to the Entrusted Operation and Management Agreement on Anhui Petro & Chemical” considered and approved at the 29<sup>th</sup> meeting of the 9<sup>th</sup> session of the Board of Directors held on 29 December 2023. I focused on the commercial substance, fairness and equity of the relevant transactions, their impact on the independence of the listed company and whether they were detrimental to the interests of the Company and minority shareholders during the deliberations of the issues, and independently and objectively gave pre-approval and independent opinions to safeguard the legitimate rights and interests of the Company and all the shareholders, in particular, the minority shareholders.

**ii. Periodic reports, internal control evaluation reports**

During the reporting period, the Company prepared and disclosed its Annual Report for 2022, the Internal Control Self-Evaluation Report for 2022, the First Quarter Report for 2023, the Half-year Report for 2023 and the Third Quarter Report for 2023 on time in strict accordance with the requirements of the relevant laws, regulations and regulatory documents, and accurately disclosed the financial data and important matters of the corresponding reporting periods, and fully presented its operation to the investors. The aforesaid reports were submitted to the Board of Directors for consideration and approved by the Board of Directors after being agreed by all members of the Audit Committee. The directors, supervisors and senior management of the Company all signed written confirmations of the periodic reports of the Company.

### **iii. Engagement of an Audit Firm for the audit of financial statements and internal control for the year 2023**

At the 18<sup>th</sup> meeting of the 9<sup>th</sup> session of the Board of Directors of the Company held on 19 March 2023, it considered and approved the proposal on the engagement of financial statement and internal control auditor for the year 2023 and continued to engage Deloitte as its financial statement auditor and internal control auditor for the year 2023. The proposal was approved by all members of the Audit Committee and submitted to the Board of Directors for consideration. I have carefully reviewed the qualification materials and business experience of the accounting firm and have independently expressed pre-approval and independent opinions based on my independent judgement.

### **iv. Nomination of Directors of the Board**

During the reporting period, Mr. Chen Lichtenstein, a director of the Company, as he was no longer serving in Syngenta Group, the controlling shareholder of the Company and Mr. Xi Zhen, an independent director, as his term of office was going to expire, submitted letters of resignation to the Board of Directors of the Company respectively. At the 26<sup>th</sup> and 27<sup>th</sup> meetings of the Ninth Session of the Board of Directors of the Company held on 15 November and 8 December 2023, the Board considered and approved the “Proposal on the Nomination of a Non-Independent Director of the 9<sup>th</sup> Session of the Board of Directors” and the “Proposal on the Nomination of an Independent Director of the 9<sup>th</sup> Session of the Board of Directors” respectively. Mr. Qin Hengshi was nominated to serve as a non-independent director of the Company and Mr. Yang Guangfu was nominated as an independent director of the Company. The aforesaid motions were submitted to the Board of Directors for consideration after being agreed by all members of the Nomination Committee. I have carefully studied the biographical information of the candidates for directors, paid attention to whether the nomination and voting procedures comply with the requirements of laws and regulations, whether the candidates’ qualifications comply with the relevant conditions for appointment as well as whether there is any situation in which they are not permitted to take up appointment, in particular the independence of the candidates for independent directors, and prudently and independently expressed my independent opinions on the

relevant topics with clear consent.

**v. Appointment of senior management**

At the 18<sup>th</sup> and 21<sup>st</sup> meetings of the Ninth Board of Directors held on 15 February and 2 April 2023, the Company considered and approved the “Proposal on the Matters Relating to the Company’s Chief Financial Officer” and the “Proposal on Change of the Senior Executive of the Company”, and appointed Ms. Efrat Nagar as Chief Financial Officer and Mr. Steve Hawkins as President and Chief Executive Officer. The above proposals were approved by all members of the Nomination Committee and submitted to the Board of Directors for consideration. I have carefully studied the biographical information of the senior management candidates, paid attention to whether the nomination and deliberation procedures are in compliance with the requirements of laws and regulations, whether the qualifications of candidates meet the relevant conditions of appointment and whether there are any circumstances under which the candidates are not permitted to take up the appointment, and prudently and independently expressed my independent opinion on the relevant issues with clear consent.

**vi. Remuneration of senior management**

At the 18<sup>th</sup>, 19<sup>th</sup> and 21<sup>st</sup> meetings of the Ninth Session of the Board of Directors of the Company held on 15 February, 19 March and 2 April 2023, the Board considered and approved the motions on the remuneration of senior management personnel and the arrangements for their departure. The relevant motions were submitted to the Board of Directors for consideration after being agreed by all members of the Remuneration and Evaluation Committee.

**vii. Execution of Special Power of Independent Directors**

During 2023, I didn’t exercise special power of independent directors, including independently engaging intermediary agencies, proposing to convene an extraordinary general meeting of shareholders to the Board of Directors, proposing to convene a meeting of the Board of Directors, and publicly soliciting shareholder rights from shareholders.

#### **IV. Summary and Advices**

In 2023, with a spirit of loyalty and diligence, and a responsible attitude towards shareholders, especially small and medium-sized shareholders, I fulfilled the obligations of an independent director in accordance with various laws and regulations, played the role of an independent director, and effectively safeguarded the legal rights and interests of all shareholders, especially small and medium-sized shareholders.

With the implementation of *the Administrative Measures for Independent Directors of Listed Companies*, the regulatory bodies have put forward new requirements for independent directors to perform their duties and strengthen their own capacity building. I will faithfully and diligently perform my duties in strict accordance with the new requirements of both CSRC and the Stock Exchange for independent directors, take the initiative to participate in the Company's decision-making, actively play a supervisory role, protect the interests of the Company, and safeguard the legitimate rights and interests of all the shareholders, especially the minority ones.

Independent Director

Ge Ming

March 25, 2024