CHERY AUTOMOBILE CO., LTD.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the appointment of directors and senior management of Chery Automobile Co., Ltd. (the "**Company**"), establish and improve the compensation and performance appraisal management system, and enhance its corporate governance structure, the Company hereby has established the Nomination and Remuneration Committee of the Board of Directors (the "**Nomination and Remuneration Committee**") by a resolution of the Board of Directors pursuant to the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules and other relevant applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association of Chery Automobile Co., Ltd. (the "**Articles of Association**") which will be applicable upon the overseas public offering and listing of shares of the Company and formulated the Terms of Reference of the Nomination and Remuneration Committee of the Board of Directors of Chery Automobile Co., Ltd. (the "**Terms of Reference**") taking into account the actual conditions of the Company.

Article 2 The Nomination and Remuneration Committee is a specialized working body under the Board of Directors of the Company, which is principally responsible for considering selection of directors (including independent non-executive directors) and senior management of the Company, and the selection criteria and procedures thereof, as well as considering and formulating performance appraisal standards for directors and senior management, conducting such appraisal according to such standards, putting forward opinions and recommendations, and considering, developing and reviewing remuneration plans or schemes for directors and senior management of the Company.

Article 3 The directors mentioned in the Terms of Reference refer to the directors of the Company, while the senior management mentioned in the Terms of Reference refers to the president, executive vice president, the secretary to the Board of Directors, finance chief, and other senior management personnel as specified in the Articles of Association.

CHAPTER II COMPOSITION

Article 4 The Nomination and Remuneration Committee shall consist of at least seven directors, the majority of whom shall be independent non-executive directors, and shall include at least one director of a different gender.

Article 5 The members of the Nomination and Remuneration Committee shall be nominated by the chairman of the Board of Directors or the Nomination Committee, and shall be elected by a majority of the directors of the Board of Directors. After the proposal for electing members of the committee has been approved, the new members of the committee shall take office immediately after the conclusion of the meeting of the Board of Directors.

Article 6 Members of the Nomination and Remuneration Committee shall be appointed and removed by the Board of Directors. The Nomination and Remuneration Committee shall report to the Board of Directors on its work from time to time.

Article 7 The Nomination and Remuneration Committee shall have a convener, i.e. the chairman of the committee, who shall be an independent non-executive director and appointed by the Board of Directors to be responsible for presiding over the work of the committee. In the event that the chairman of the committee is incapable of performing or not performing his/her duties, an independent non-executive director shall be jointly elected by more than half of the members of the committee to act in his/her stead.

Article 8 The term of office of the Nomination and Remuneration Committee shall be the same as that of the Board of Directors. A member shall be eligible for re-election upon the expiration of his/her term of office. If a member ceases to be a director of the Company during the term of office, or a member who shall be an independent non-executive director ceases to be independent as required under the provisions of the Articles of Association and the Hong Kong Listing Rules, he/she shall be automatically disqualified as a member. A member of the Nomination and Remuneration Committee may submit a resignation report in writing to the Board of Directors prior to the expiration of his/her term of office to resign as a member of the committee from his/her existing position. The resignation report shall contain necessary explanations on the reasons for resignation and the matters that need to be brought to the attention of the Board of Directors of the Company. Following a member of the Nomination and Remuneration Committee is disqualified or obtains approval for him/her to resign, the Board of Directors shall fill the vacancy in accordance with applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the provisions of Articles 4 to 7 of the Terms of Reference mentioned above. The term of office of any member who fills the vacancy shall last until the end of the term of office of such member as a director or independent non-executive director. A member shall not be removed from his/her duty without cause prior to the expiration of his/her term of office, unless he/she is prohibited from holding office under the provisions of the Company Law, the Articles of Association or the Hong Kong Listing Rules.

CHAPTER III DUTIES AND AUTHORITIES

Article 9 The primary duties and authorities of the Nomination and Remuneration Committee include:

(i) to consider and establish the criteria and procedures for selecting directors and senior management, and put forward recommendations to the Board of Directors, taking into account factors including but not limited to cultural, educational background and professional experiences;

(ii) to search for and identify the individuals qualified to serve as directors, submit nomination recommendations to the Board of Directors and to review and advise on the candidates for directors (particularly, the chairman of the Board of Directors) of the Company;

(iii) to search for and identify the individuals qualified to serve as senior management, and to review and advise on the candidates for senior management (particularly, the presidents) of the Company;

(iv) to assess the independence of the independent non-executive directors;

(v) to review the structure, size and composition of the Board of Directors and their relevant qualifications (including skills, knowledge, experience and others) at least annually, to assist the Board of Directors in maintaining the board skills matrix, and to advise on any proposed changes to the Board of Directors to complement the Company's strategy. To assess the structure of various committees under the Board of Directors, recommend directors to serve as members of the relevant committees, and submit the recommendations to the Board of Directors for approval;

(vi) to make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board of Directors and the presidents;

(vii) to establish talent reserve plans for the directors and senior management members and to supplement or update such plans from time to time;

(viii) to evaluate the director's work, and put forward opinions or suggestions on the replacement, re-appointment or succession of directors (including the chairman of the Board of Directors and the chief executive officer) based on the evaluation results;

(ix) to support the Company's regular evaluation of the performance of the Board of Directors;

(x) to formulate, and, where appropriate, review and implement the Board of Directors diversity policy adopted by the Board of Directors from time to time, review the progress of achieving goals, and disclose the relevant reviewed policies or their summary in the Company's annual reports;

(xi) to formulate the overall remuneration policy and structure for the directors and senior management of the Company (including but not limited to the performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems, etc.) based on the main scope, responsibility and importance of the respective positions of the directors and senior management and the remuneration of the same position paid by comparable companies, time commitment and duties and the employment conditions of other positions in the Group, and to make recommendations to the Board of Directors in respect of setting up formal and transparent procedures for the formulation of the remuneration policy and to oversee the implementation of such a procedure;

(xii) to review and approve the management's remuneration proposals with reference to the corporate policies and objectives set up by the Board of Directors;

(xiii) to examine the performance of duties by the directors and senior management of the Company, conduct annual appraisals on the performance of them, and formulate annual incentives schemes which shall be submitted to the Board of Directors for approval before implementation;

(xiv) to supervise the implementation of the Company's remuneration systems;

(xv) to make recommendations to the Board of Directors on the determination of the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation amounts (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board of Directors on the remuneration of non-executive directors;

(xvi) to consult the chairman of the Board of Directors or the presidents in respect of the remuneration proposed for other executive directors. The Nomination and Remuneration Committee shall seek independent professional opinions if necessary;

(xvii) to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive;

(xviii) to review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms or are otherwise reasonable and appropriate;

(xix) to ensure that any director or any of his/her associates (as defined in the Hong Kong Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive director who is also a member of the Nomination and Remuneration Committee, his/her remuneration shall be determined by other members of the Nomination and Remuneration Committee;

(xx) to review the incentive schemes and service contracts of directors;

(xxi) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;

(xxii) other matters as required by relevant applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, the Articles of Association and as authorized by the Board of Directors.

Article 10 The Nomination and Remuneration Committee shall be accountable to the Board of Directors and proposals of the committee shall be submitted to the Board of Directors for its consideration and decision; among which, the nomination of candidates for directors shall, upon consideration by the Board of Directors, be submitted to the general meeting for consideration and approval prior to implementation. In the absence of sufficient reasons or reliable evidence, controlling shareholders shall give full respect to the recommendations provided by the Nomination Committee, and shall not propose an alternate candidate for directors and senior management.

Article 11 The remuneration plans or schemes proposed by the Nomination and Remuneration Committee shall not prejudice the interests of the shareholders. The Board of Directors shall have the right to reject any remuneration plans or schemes that prejudice the interests of the shareholders.

Article 12 The remuneration plans or schemes for the directors of the Company proposed by the Nomination and Remuneration Committee shall be approved by the Board of Directors and submitted to a shareholders' general meeting for consideration and approval before implementation (if applicable). The remuneration plans or schemes for the senior management of the Company shall be reported to the Board of Directors for approval. The Nomination and Remuneration Committee shall be accountable to the Board of Directors and proposals of the committee shall be submitted to the Board of Directors for consideration. Relevant departments of the Company shall be obligated to cooperate with the Nomination and Remuneration Committee and provide relevant materials. Sufficient resources shall be made available to the Nomination and Remuneration Committee for its fulfillment of duties and responsibilities.

According to the Hong Kong Listing Rules, the above service contracts of directors which are subject to shareholders' approval include:

(i) service contracts with a term of over three years; or

(ii) contracts which may not be terminated by the Company unless at least one year's notice is given, or compensation or other amounts equivalent to at least one year's emoluments are paid.

The Nomination and Remuneration Committee shall make comments on the above service contracts of directors which are subject to the shareholders' approval, notify shareholders on whether relevant contract terms are fair and reasonable, whether relevant contracts are in the interests of the Company and its shareholders as a whole, and shall put forward opinions on how shareholders (other than those shareholders who are directors and have a material interest in such service contracts, as well as associates thereof) should vote.

Article 13 The Nomination and Remuneration Committee shall make available the Terms of Reference explaining its role and the authority delegated to it by the Board of Directors on the website of The Stock Exchange of Hong Kong Limited and the Company's website.

CHAPTER IV WORKING PROCEDURES

Article 14 The human resources department of the Company is the day-to-day working body of the Nomination and Remuneration Committee. It is responsible for providing information related to human resources as well as individuals to be assessed, preparing for meetings of the Nomination and Remuneration Committee and implementing relevant resolutions of the Board of Directors and the Nomination and Remuneration Committee.

Article 15 The human resources department of the Company shall be responsible for the preliminary preparation for the Nomination and Remuneration Committee's decision-making and providing the following materials of the Company:

(i) to understand the demand of the Company for new directors and senior management and produce written materials;

(ii) to seek extensively for candidates of directors and senior management in the Company, its holding companies and job market;

(iii) to collect information on and understand, among others, occupation, educational background, job titles, detailed working experience of and all part-time jobs undertaken by the candidates and produce written materials;

(iv) the Company's key financial indicators and achievement of operating targets;

(v) the scope of work and performance of main duties of the directors and senior management of the Company;

(vi) extent to which the targets set out under the job performance appraisal system have been achieved by the directors and senior management;

(vii) operational performance of the directors and senior management in terms of the capability in business innovation and profit generation;

(viii) relevant calculation basis indicating remuneration plans or schemes of the Company based on the performance of the Company;

(ix) to maintain daily working contact with the intermediaries designated by the Nomination and Remuneration Committee;

(x) to provide information on various remuneration systems and their implementation across the Company at the request of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee performs the main duties under Article 9 of the Terms of Reference based on the information provided by the human resource department of the Company.

The chairman of the Nomination and Remuneration Committee or (if the chairman is absent) another member of the Nomination and Remuneration Committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company and respond to the enquiries from shareholders regarding the activities and responsibilities of the Nomination and Remuneration Committee.

CHAPTER V RULES OF PROCEDURE

Article 16 The Nomination and Remuneration Committee shall review the criteria and procedures for selection and terms of office of directors and senior management of the Company according to the provisions of applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association, taking into account the actual conditions of the Company. Any resolution formed in this regard shall be submitted to the Board of Directors for consideration. Where the Board of Directors intends to propose a resolution at a general meeting to elect a person as an independent non-executive director, the circular and/or explanatory letter to shareholders accompanying the notice of the general meeting shall state:

(i) the process for identifying the person, the reasons for which the Board of Directors considers that the person should be appointed and the reasons for which they consider the person to be an independent person;

(ii) where an independent non-executive director will serve as a director of a seventh (or above) listed company, the reasons for which the Board of Directors considers that such person can still devote sufficient time to the Board of Directors;

(iii) the perspectives, skills and experience that such person can bring to the Board of Directors;

(iv) how such person promotes diversity on the Board of Directors.

Article 17 The Nomination and Remuneration Committee shall hold at least one meeting each year. An extraordinary meeting of the Nomination and Remuneration Committee may be convened by the chairman of the Nomination and Remuneration Committee as he/she deems it necessary, upon the proposal of more than half of the members of the Nomination and Remuneration Committee or recommendation of the chairman of the Board of Directors.

Article 18 The meetings of the Nomination and Remuneration Committee shall be convened by the chairman of the Nomination and Remuneration Committee. Notices of meetings, signed by the chairman of the Nomination and Remuneration Committee, and materials for meetings shall be delivered to all members of the Nomination and Remuneration Committee three days prior to the meeting. Upon unanimous consent of all members of the Nomination and Remuneration Committee, the requirement for such prior notice period may be exempted.

Article 19 A meeting of the Nomination and Remuneration Committee shall be presided over by the chairman of the committee, and if the chairman of the committee is unable to attend, he/she may entrust an independent non-executive director to preside over the meeting.

Article 20 The quorum of meetings of the Nomination and Remuneration Committee shall be at least two-thirds of the members, including at least one independent non-executive director. If a member is unable to attend a meeting, he/she may by a written power of attorney appoint another member to attend and vote at the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the matters delegated, scope of authorization and the validity period, and shall be signed or stamped by the appointer and submitted to the presider of the meeting no later than the time when voting takes place in the meeting.

The resolutions made at the meetings of the Nomination and Remuneration Committee shall be approved by a majority of all members, and relevant resolutions or opinions shall be signed by the members of the Nomination and Remuneration Committee who attend the meeting. Each member shall have one vote and may vote "for", "against" or "abstain" from voting on a given matter. Where the respective votes for and against a resolution are equal in number, the chairman of the Nomination and Remuneration Committee shall have a casting vote.

Article 21 Meetings of the Nomination and Remuneration Committee may be held by on-site meetings, tele conferences, video conferences, circulation of documents, facsimile, email or other appropriate means.

Article 22 Directors, senior management and external advisors of the Company may be invited to attend the meetings of the Nomination and Remuneration Committee as non-voting participants where necessary. Attendees in such capacity may provide explanations or clarifications on matters discussed during the meetings, but shall not have voting rights.

Article 23 The Company shall provide the Nomination and Remuneration Committee with sufficient resources for it to perform its duties. The senior management and relevant departments of the Company shall be cooperative and supportive to the Nomination and Remuneration Committee and shall provide relevant information, to actively cooperate with the work of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall have the right to, if necessary, independent intermediaries to provide professional opinions on its decision-making and the reasonable expenses incurred therefrom shall be borne by the Company.

Article 24 When discussing proposals related to members of the Nomination and Remuneration Committee, the members involved shall recuse themselves.

Article 25 The convening procedures of, voting method and the remuneration policies and allocation schemes approved at the meetings of the Nomination and Remuneration Committee shall comply with the provisions of relevant laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, the Articles of Association and the Terms of Reference.

Article 26 Minutes of meeting of the Nomination and Remuneration Committee shall be prepared, on which members present at the meeting shall sign; minutes of meeting shall be kept by the secretary to the Board of Directors of the Company. Such minutes of meeting shall be opened for inspection at any reasonable time on reasonable notice by any member. Draft and final versions of minutes of meeting of the Nomination and Remuneration Committee shall be circulated to all members of the Nomination and Remuneration Committee for their comment and record purpose respectively, in both cases within a reasonable timeframe after each meeting.

Article 27 The resolutions passed at a meeting of the Nomination and Remuneration Committee and the results of voting shall be submitted to the Board of Directors for deliberation in writing.

Article 28 Members present at meetings of the Nomination and Remuneration Committee and persons attending such meetings as non-voting participants shall perform a duty of confidentiality regarding matters discussed at such meetings. No unauthorized disclosure of such information shall be allowed, unless otherwise stipulated under applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and/or regulatory bodies.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 29 In the Terms of Reference, the term "above" shall include the given figure, while the term "over" shall not include the given figure.

Article 30 The Terms of Reference shall be considered and approved by the Board of Directors, and shall come into force and be implemented from the day on which H shares of the Company in the public offering are listed and traded on The Stock Exchange of Hong Kong Limited.

Article 31 The Terms of Reference shall be amended and interpreted by the Board of Directors of the Company.

Article 32 Any matters not covered herein shall be implemented in accordance with the provisions of applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association. Where the Terms of Reference conflict with any provisions of applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and any other regulatory rules of the place(s) where the shares of the Company are listed or the Articles of Association, such applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and any other regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association shall prevail, and the Terms of Reference shall be amended accordingly as soon as practicable and submitted to the Board of Directors for consideration and approval.

Chery Automobile Co., Ltd.
February 2025