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If you have sold or transferred all your shares in Great Wall Motor Company Limited, you should at once pass this circular and the enclosed proxy form to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 02333 (HKD counter) and 82333 (RMB counter)

**PROPOSED ADOPTION OF THE 2023 RESTRICTED A SHARE
INCENTIVE SCHEME
PROPOSED ADOPTION OF THE 2023 A SHARE OPTION INCENTIVE SCHEME
PROPOSED ADOPTION OF THE 2023 SECOND ESOP
PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES
FOR IMPLEMENTATION OF THE 2023
RESTRICTED SHARE INCENTIVE SCHEME
PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES
FOR IMPLEMENTATION OF THE 2023
SHARE OPTION INCENTIVE SCHEME
PROPOSED ADOPTION OF THE MANAGEMENT MEASURES
FOR THE 2023 SECOND ESOP
ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT
AUTOMOTIVE UNDER THE LISTING RULES OF
SHANGHAI STOCK EXCHANGE
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION,
PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR
GENERAL MEETING OF THE COMPANY AND PROPOSED AMENDMENTS TO
RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS
OF THE COMPANY
PROPOSED AMENDMENTS TO WORKING SYSTEM FOR
INDEPENDENT DIRECTORS OF THE COMPANY
AND
NOTICES OF EGM AND H SHAREHOLDERS' CLASS MEETING**

The EGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting of the Company are to be held on Friday, 26 January 2024 at 2:00 p.m., 3:00 p.m. and 4:00 p.m. respectively at the Company's Conference Room, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC. Notices of the EGM and the H Shareholders' Class Meeting have been sent to the Shareholders together with their respective proxy forms, the Independent Non-executive Director's Proxy Forms and the reply slip on 5 January 2024. Whether or not you are able to attend the EGM or the relevant Class Meetings in person, you are requested to complete the proxy form enclosed or the Independent Non-executive Director's Proxy Forms in accordance with the instructions printed thereon. For H Shareholders, the proxy form or the Independent Non-executive Director's Proxy Forms should be returned, in person or by post, to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in any event not later than 24 hours before the designated time for the commencement of the EGM and/or the H Shareholders' Class Meeting and any adjournment thereof (as the case may be). Completion and return of the proxy form or the Independent Non-executive Director's Proxy Forms will not preclude you from attending and voting in person at the EGM and/or the H Shareholders' Class Meeting or any adjournment thereof should you so wish.

* For identification purposes only

5 January 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	7
1. INTRODUCTION	8
2. PROPOSED ADOPTION OF THE 2023 RESTRICTED A SHARE INCENTIVE SCHEME	8
3. PROPOSED ADOPTION OF THE 2023 A SHARE OPTION INCENTIVE SCHEME	43
4. PROPOSED ADOPTION OF THE 2023 SECOND ESOP	76
5. PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 RESTRICTED SHARE INCENTIVE SCHEME	92
6. PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 SHARE OPTION INCENTIVE SCHEME	92
7. PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR THE 2023 SECOND ESOP	92
8. PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS IN RELATION TO THE 2023 RESTRICTED A SHARE INCENTIVE SCHEME AND THE 2023 SHARE OPTION INCENTIVE SCHEME AND THE 2023 SECOND ESOP	93
9. ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT AUTOMOTIVE UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE	99
10. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION, PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR GENERAL MEETING OF THE COMPANY AND PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY	99
11. PROPOSED AMENDMENTS TO WORKING SYSTEM FOR INDEPENDENT DIRECTORS OF THE COMPANY	100
12. THE EGM AND THE CLASS MEETINGS	100
13. BOOK CLOSURE PERIOD	102
14. VOTING BY WAY OF POLL	102

CONTENTS

15.	RESPONSIBILITY STATEMENT	103
16.	RECOMMENDATION	103
17.	ADDITIONAL INFORMATION	103
APPENDIX I	2023 RESTRICTED SHARE INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED (DRAFT).....	104
APPENDIX II	2023 SHARE OPTION INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED (DRAFT).....	145
APPENDIX III	THE 2023 SECOND ESOP OF GREAT WALL MOTOR COMPANY LIMITED (DRAFT)	185
APPENDIX IV	APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED.....	218
APPENDIX V	APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 SHARE OPTION INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED..	224
APPENDIX VI	MANAGEMENT MEASURES FOR THE 2023 SECOND ESOP OF GREAT WALL MOTOR COMPANY LIMITED	230
APPENDIX VII	ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT AUTOMOTIVE UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE	250
APPENDIX VIII	AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY ..	255
APPENDIX IX	WORKING SYSTEM FOR INDEPENDENT DIRECTORS OF GREAT WALL MOTOR COMPANY LIMITED (REVISED VERSION)	282
NOTICE OF THE EXTRAORDINARY GENERAL MEETING		293
NOTICE OF THE H SHAREHOLDERS’ CLASS MEETING.....		297

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2023 First A Share ESOP”	the 2023 ESOP of the Company adopted at the annual general meeting of the Company held on 16 June 2023;
“A Shareholder(s)”	holders of A Share(s);
“A Shareholders’ Class Meeting”	the class meeting of A Shareholders;
“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
“Appraisal Management Measures”	the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited; or the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited;
“Articles of Association”	articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Board”	the board of directors of the Company;
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting;
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Company” or “Great Wall Motor”	長城汽車股份有限公司 (Great Wall Motor Company Limited*), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively;
“Company Law”	the Company Law of the PRC, as amended from time to time;

DEFINITIONS

“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“connected transaction(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“core management”	(i) other management personnel other than Directors, Supervisors and senior management of the Company and (ii) directors, supervisors, chief executives and other management of the subsidiaries of the Company;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 26 January 2024 at 2:00 p.m. for the purposes of considering and approving, among other things, the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme and the 2023 Second ESOP of the Company as defined herein;
“ESOP”, “Plan”, “2023 Second ESOP” or “2023 Second A Share ESOP”	the second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited;
“Exercisable Date”	the date on which the Participants are entitled to exercise the Share Options, which must be a trading day;
“Exercise”	the Participants’ exercise of the Share Options owned by them according to the Share Option Incentive Scheme, i.e. the Participants’ purchase of target Shares according to the conditions as stipulated in the Incentive Scheme;
“Exercise Conditions”	the conditions that must be satisfied by the Participants to exercise the Share Options under the Share Option Incentive Scheme;
“Exercise Price”	the price determined under the Scheme at which the Participants purchase the Shares of the Company;

DEFINITIONS

“Grant Date”	the date on which the Company grants entitlements to the Participants, which must be a trading day;
“Grant Price”	the price of each Restricted Share granted to the Participants by the Company;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“Guiding Opinions”	the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies;
“H Shareholder(s)”	holders of H Share(s);
“H Shareholders’ Class Meeting”	the class meeting of H Shareholders;
“H Shares”	the overseas-listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 02333 (HKD counter) and 82333 (RMB counter));
“Holder(s)” or “Participants”	employee(s) who contribute to participate in the ESOP;
“Holders’ Meeting”	meeting of holders of the ESOP;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong Listing Rules” or “Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Incentive Schemes”	the 2023 Restricted Share Incentive Scheme, the 2023 Share Option Incentive Scheme and the 2023 Second ESOP;
“Independent Directors”	the independent non-executive directors of the Company;

DEFINITIONS

“Latest Practicable Date”	29 December 2023, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“Listing Rules of the Shanghai Stock Exchange”	The Rules Governing the Listing of Securities on the Shanghai Stock Exchange;
“Lock-up Period”	the period during which the Restricted Shares are restricted to be transferred or assigned or used as guarantee or for repayment of debts, if the conditions for exercise of entitlements by the Participants as stipulated in the Incentive Scheme are not satisfied;
“Management Committee”	the management committee of the ESOP;
“Management Measures”	the Management Measures for Share Incentives of Listed Companies;
“Management Measures for 2023 Second ESOP”	Management Measures for the Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited;
“Participants” or “Holder(s)”	individuals to be granted share options under the Share Option Incentive Scheme; individuals to be granted restricted shares under the Restricted Share Incentive Scheme; or employees of the Company and its subsidiaries who participate in the ESOP;
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macao Special Administrative Region and Taiwan;
“Regulatory Guidelines”	the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation;
“Remuneration Committee”	the remuneration committee of the Board of the Company;
“Restricted Shares” or “Restricted A Shares”	a certain number of Shares of the Company granted to the Participants according to the conditions and price stipulated in the Restricted Share Incentive Scheme, which are subject to a Lock-up Period and can only be unlocked for trading when the unlocking conditions as stipulated in the Incentive Scheme are satisfied;

DEFINITIONS

“Restricted Share Incentive Scheme”, “2023 Restricted Share Incentive Scheme”, “2023 Restricted A Share Incentive Scheme” or “Restricted Share Scheme”	the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft);
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities Depository and Clearing Corporation”	Shanghai Branch of China Securities Depository and Clearing Corporation Limited;
“Securities Law”	the Securities Law of the People’s Republic of China, as amended from time to time;
“SFO”	Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share Options” or “Options”	the rights to be granted by the Company to the participants to purchase a certain number of Shares of the Company at a predetermined price within a certain period of time in the future;
“Share Option Incentive Scheme”, “2023 Share Option Incentive Scheme”, “2023 A Share Option Incentive Scheme” or “Share Option Scheme”	the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft);
“Shareholders”	holders of the Company’s Shares including A Shares and H Shares;
“Shares”	A Shares and H Shares;
“Spotlight Automotive”	Spotlight Automotive Ltd. (光東汽車有限公司), which is incorporated under the laws of the PRC on 27 December 2019 and is a sino-foreign joint venture company by the Company and BMW Holding B.V.;
“SSE”	the Shanghai Stock Exchange;
“Stock Exchange”	the Shanghai Stock Exchange;

DEFINITIONS

“subsidiary(ies)”	unless the context requires otherwise, has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Supervisor(s)”	supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“Underlying Shares”	the ordinary A shares repurchased by the Company and to be transferred to the ESOP through non-trading transfer or other means permitted by laws and regulations.
“Unlocking Period”	the period during which the Restricted Shares of the Participants are unlocked and can be transferred upon the satisfaction of the unlocking conditions as stipulated in the Restricted Share Incentive Scheme;
“Validity Period”	the period commencing from the date the Restricted Shares are granted to the date when all Restricted Shares are unlocked or repurchased and cancelled; or the period commencing from the date the Share Options are granted to the date when all Share Options are exercised or cancelled; and
“Vesting Period”	the period commencing from the date of registration of the grant of the Share Options and ending on the Exercisable Date of the Share Options.

LETTER FROM THE BOARD



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 02333 (HKD counter) and 82333 (RMB counter)

Executive Directors:

Wei Jian Jun
Zhao Guo Qing
Li Hong Shuan

Registered office, head office and principal place of business:

No. 2266 Chaoyang Road South
Baoding
Hebei Province
the PRC

Non-executive Director:

He Ping

Independent non-executive Directors:

Yue Ying
Fan Hui
Tom Siulun Chau

5 January 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE 2023 RESTRICTED A SHARE
INCENTIVE SCHEME
PROPOSED ADOPTION OF THE 2023 A SHARE OPTION
INCENTIVE SCHEME
PROPOSED ADOPTION OF THE 2023 SECOND ESOP
PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT
MEASURES FOR IMPLEMENTATION OF THE 2023
RESTRICTED SHARE INCENTIVE SCHEME
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GENERAL MEETING OF THE COMPANY AND PROPOSED AMENDMENTS TO
RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS
OF THE COMPANY
PROPOSED AMENDMENTS TO WORKING SYSTEM FOR
INDEPENDENT DIRECTORS OF THE COMPANY
AND
NOTICES OF EGM AND H SHAREHOLDERS' CLASS MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

This circular is issued in relation to the EGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting to be held at 2:00 p.m., 3:00 p.m. and 4:00 p.m. respectively on Friday, 26 January 2024 at the Company's Conference Room, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC.

2. PROPOSED ADOPTION OF THE 2023 RESTRICTED A SHARE INCENTIVE SCHEME

Reference is made to the announcement of the Company dated 12 December 2023, in which the Board considered and approved the relevant resolution in relation to proposed adoption of the 2023 Restricted A Share Incentive Scheme on 12 December 2023. This incentive scheme will become effective upon consideration and approval of the general meeting and the Class Meetings of the Company. Before the general meeting and the Class Meetings are held for approval of the Incentive Scheme, the Company may amend this incentive scheme upon the request of the regulatory authorities of the PRC and/or Hong Kong.

I. Purpose and Principles of the Restricted Shares Incentive Scheme

(I) Purpose of the Restricted Shares Incentive Scheme

For future-oriented long-term development and governance, the Company has built an innovative long-term incentive mechanism to turn employees from “workers doing work” to “partners doing business” by granting them rights and obligations. By doing so, the Company aims to gather a group of fighters and business leaders with common values to promote its long-term and steady development and align the interests of all Shareholders. Specifically, the launch of this incentive scheme has the following purposes:

1. By establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, the Company aims to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of Shareholders, the Company and its key personnel, in order to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
2. By setting challenging performance targets to bring both pressure and motivation, which not only helps enhance the Company's competitiveness but also helps mobilize the enthusiasm and creativity of the management and core backbone staff, the Company aims to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
3. This scheme, which can help attract and retain outstanding management talents and core business staff, is designed to meet the Company's huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company's cohesion, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new power into the Company's sustained and rapid development.

LETTER FROM THE BOARD

(II) The Restricted Shares Incentive Scheme Applies the Following Principles:

1. Principle of legal compliance

For the implementation of this incentive scheme, the Company performs relevant procedures in strict accordance with laws and administrative regulations and carries out information disclosure in a true, accurate, complete, and timely manner.

2. Principle of voluntary participation

The Company implements the Restricted Shares Incentive Scheme in the principle of voluntary participation, and does not force employees to participate in this incentive scheme by means of forced allocation.

3. Principle of benefit sharing

The Restricted Shares Incentive Scheme is linked to the Company's key performance indicators, highlights the Company's common vision, and closely aligns the long-term interests of the Company's management, core backbone staff and Shareholders.

II. Administrative Body of This Incentive Scheme

- (1) The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of this incentive scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Restricted Shares Incentive Scheme.
- (2) The Board shall act as the executive and administrative body for the Restricted Shares Incentive Scheme and be responsible for the implementation of the Restricted Shares Incentive Scheme. The Remuneration Committee under the Board shall be responsible for drafting and revising this incentive scheme, and submitting this incentive scheme to the Board for review and approval. Upon approval by the Board, this incentive scheme shall be further submitted to the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval. The Board may handle other matters relating to this incentive scheme within its scope of authority as delegated by the general meeting.
- (3) The Supervisory Committee shall act as the supervisory authority for the Restricted Shares Incentive Scheme, and shall issue opinions as to whether the Restricted Shares Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Restricted Shares Incentive Scheme as to whether it is in compliance with the relevant laws, regulations, regulatory documents and

LETTER FROM THE BOARD

operational rules of the Stock Exchange, and shall be responsible for verifying the list of the Participants. The Independent Director(s) shall solicit voting rights by proxy from all shareholders in respect of the Restricted Shares Incentive Scheme.

- (4) Where amendments have been made to this incentive scheme before this incentive scheme is passed at the general meeting, the Remuneration Committee shall give advice to the Board of the Company and the Supervisory Committee shall issue opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole.

Before any entitlements are granted to a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements stipulated under the Share Incentive Scheme. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Restricted Shares Scheme, the Remuneration Committee and the Supervisory Committee (where there is a change of the Participants) shall simultaneously issue clear opinions thereon.

Before the exercise by a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions as to whether the conditions stipulated under the Share Incentive Scheme for the Participant to exercise such entitlements have been fulfilled.

III. Basis for Determining the Participants and the Scope of Participants

1. Basis for Determining the Participants

(1) Legal Basis for Determining the Participants

Participants of the Restricted Shares Incentive Scheme are determined in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

Persons who are under the following circumstances may not be Participants, if he or she:

- ① has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;

LETTER FROM THE BOARD

- ③ has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
- ④ is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ is under other circumstances determined by the CSRC.

(2) Position Basis for Determining the Participants

The Participants of the grant under the Restricted Shares Incentive Scheme shall be senior management of the Company, directors and senior management of the Company's subsidiaries, middle management and core technical (business) backbone staff of the Company (including the subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development.

2. Scope of Participants

There are 810 Participants of the grant under the Restricted Shares Incentive Scheme in total, including:

- ① senior management of the Company;
- ② directors and senior management of the Company's subsidiaries;
- ③ middle management and core technical (business) staff of the Company (including the subsidiaries);

The Participants under the Restricted Shares Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children. None of the members of the Board of the Company will participate in the Restricted Shares Incentive Scheme.

Among the Participants of the grant, senior management must be appointed by the Board of the Company. All the Participants must hold positions in and enter into labour contracts with the Company (including the Company's subsidiaries listed in the consolidated statements) within the Validity Period of this incentive scheme.

LETTER FROM THE BOARD

The Participants of the reserved grant shall be determined within 12 months after this scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. Upon proposal by the Remuneration Committee of the Board, consideration by the Board and after the Supervisory Committee express unequivocal opinions and the legal advisors express professional opinions and issue legal opinions, the Company shall disclose relevant information of the current Participants on the designated website in a timely and accurate manner. If the Participants are not determined within 12 months, the reserved interests shall lapse.

The abovementioned arrangements in relation to determining the basis and scope of Participants are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

3. *Verification of Participants*

- (1) After the Board has reviewed and approved the Restricted Shares Incentive Scheme, the Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days.
- (2) The Supervisory Committee of the Company shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before this incentive scheme is considered at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

IV. Source, Number and Allocation of Restricted Shares

1. *Source of Shares of the Restricted Share Incentive Scheme*

The source of the Underlying Shares of the Restricted Share Incentive Scheme shall be ordinary A Shares to be directly issued to the Participants by the Company.

2. *Number of the Restricted Shares to be Granted*

The Company intends to grant 70,000,000 Restricted Shares to the Participants, representing 0.8238% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme. Specifically, 56,000,000 Shares were granted under the first grant, representing 80% of the total number of Restricted Shares to be granted under this incentive scheme and 0.6591% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme; 14,000,000 Shares were reserved, representing 20% of the total number of Restricted Shares to be granted under this incentive scheme and 0.1648% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme.

LETTER FROM THE BOARD

The allocation of the Restricted Shares granted to the Participants is as follows:

Name	Position	Number of the Restricted Shares to be granted (0'000 Shares)	Percentage to the total number of the Restricted Shares to be granted	Percentage to the current total number of Shares
Mu Feng	General Manager	80	1.1429%	0.0094%
Other management personnel and core technical (business) backbone staff (809 people)		5,520	78.8571%	0.6497%
Reserved		1,400	20%	0.1648%
Total (810 people)		7,000	100%	0.8238%

Notes: ① The total Shares of the Company to be granted under the Share Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

② The Participants of the Restricted Share Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children. The 810 Participants under the Restricted Shares Incentive Scheme have been identified.

The total number of A Shares which may be issued in respect of all options and awards to be granted under the Restricted Share Incentive Scheme and other share schemes of the Company (which is 291,329,995, represents 4.72% of the total number of A Shares issued by the Company as at the Latest Practicable Date) will not exceed 10% of the total number of A Shares issued by the Company. During the 12-month period up to and including the date of the grant of shares under the Restricted Share Incentive Scheme, the total number of A Shares issued or to be issued in respect of all options and awards granted or to be granted to any participant under the Restricted Share Incentive Scheme and other share schemes (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) will not exceed 1% of the total number of the A Shares issued by the Company.

No Director is required to abstain from voting on the proposal of Restricted A Shares and other related proposals.

LETTER FROM THE BOARD

V. Validity Period, Grant Date, Unlocking Arrangement and Lock-up Period of the Restricted Share Incentive Scheme

1. Validity Period of the Restricted Share Incentive Scheme

The Validity Period of the Restricted Share Incentive Scheme shall commence on the date on which the Restricted Shares have been granted for the first time and end on the date of unlocking all the Restricted Shares or the repurchase and cancellation of such Shares, which shall not exceed 48 months.

2. Grant Date of the Restricted Share Incentive Scheme

The Grant Date shall be determined by the Board after this incentive scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. The Company shall grant the Restricted Shares and complete the announcement and registration procedures within 60 days from the date on which this incentive scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, failing which the Company shall disclose the reasons for the failure and announce termination of this incentive scheme and the Restricted Shares which have not been granted will lapse. The Grant Date of the reserved portion shall be the date of the announcement of the resolution of the Board meeting considering the grant of this portion of Restricted Shares.

The Grant Date must be a trading day and must not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semiannual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD

The above-mentioned period during which the Company is not allowed to grant Restricted Shares is not included in the period of 60 days. In case of shareholding reduction by the Company's Directors and senior management as the Participants within six months before the grant of Restricted Shares, the grant of Restricted Shares shall be postponed for six months from the date of the last shareholding reduction in accordance with the short-swing trading provisions under the Securities Law.

3. Lock-up Period of the Restricted Share Incentive Scheme

The Lock-up Period of the Restricted Shares under the first grant of the Restricted Share Incentive Scheme shall be 12, 24 or 36 months; if the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Lock-up Period of the restricted shares under reserved grant will be consistent with those of the initially granted portion; if the reserved restricted shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Lock-up Period of the restricted shares under reserved grant shall be 12 or 24 months from the Grant Date. The Shares and dividends obtained by the Participants due to the grant of the Restricted Shares not yet unlocked to them arising from capitalisation issue, bonus issue, share sub-division, etc. shall be subject to locking in accordance with this incentive scheme, and shall not be sold in the secondary market or otherwise transferred. The Unlocking Period of such Shares is the same as that of the Restricted Shares. If the Company repurchases the Restricted Shares not yet unlocked, such Shares shall be repurchased at the same time.

During the Lock-up Period, the Restricted Shares which are granted to the Participants under this incentive scheme and remain unlocked shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

Upon expiry of the Lock-up Period, the Company shall proceed with the unlocking for the Participants who satisfy unlocking conditions, and the Restricted Shares held by the Participants who do not satisfy the unlocking conditions shall be repurchased and cancelled by the Company.

LETTER FROM THE BOARD

4. *Unlocking Arrangement of the Restricted Share Incentive Scheme*

The Unlocking Period and the unlocking schedule for each period for the Restricted Shares under the first grant of the Restricted Share Incentive Scheme are shown in the table below:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
First Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 12 months from the date of the first grant to the last trading day upon the expiry of 24 months from the date of the first grant	40%
Second Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 24 months from the date of the first grant to the last trading day upon the expiry of 36 months from the date of the first grant	30%
Third Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 36 months from the date of the first grant to the last trading day upon the expiry of 48 months from the date of the first grant	30%

If the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), Unlocking Period and the unlocking schedule for each period will be consistent with those of the initially granted portion; if the reserved restricted shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Unlocking Period and the unlocking schedule for each period are set out below:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
First Unlocking Period for the reserved Restricted Shares	Commencing from the first trading day upon the expiry of 12 months from the date of the reserved grant to the last trading day upon the expiry of 24 months from the date of the reserved grant	50%
Second Unlocking Period for the reserved Restricted Shares	Commencing from the first trading day upon the expiry of 24 months from the date of the reserved grant to the last trading day upon the expiry of 36 months from the date of the reserved grant	50%

LETTER FROM THE BOARD

For Restricted Shares that have not been applied for unlocking or cannot be applied for unlocking due to failure to meet the unlocking conditions during the aforesaid Unlocking Periods, the Company will repurchase and cancel such Restricted Shares from relevant Participants in accordance with the principles of this scheme.

5. *Lock-up Period of the Restricted Share Incentive Scheme*

The lock-up arrangement under this Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

- ① Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office.
- ② Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains.
- ③ During the Validity Period of this incentive scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Participants during the relevant times.

VI. The Grant Price of the Restricted Shares and the Basis of Its Determination

1. *Grant Price of the Restricted Shares under the First Grant*

The Grant Price of the Restricted Shares under the first grant shall be RMB13.61 per Share. Upon fulfilment of the grant conditions, each Participant is entitled to acquire the Restricted A Shares newly issued to the Participants by the Company at the price of RMB13.61 per Share.

LETTER FROM THE BOARD

2. *Basis of Determination for the Grant Price of the Restricted Shares under the First Grant*

The Grant Price of the Restricted Shares under the first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- (1) 50% of the average trading price of the A Share (i.e. RMB13.02 per share) on the trading day preceding the date of the announcement of the draft of this incentive scheme;
- (2) 50% of the average trading price of the A Share (i.e. RMB13.61 per share) for 20 trading days preceding the date of the announcement of the draft of this incentive scheme.

3. *Basis of Determination for the Grant Price of the Reserved Restricted Shares*

Prior to each grant of the reserved Restricted Shares, a Board meeting shall be held to consider and approve related resolutions and disclose related situation. The Grant Price of the reserved Restricted Shares shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the A Shares on the trading day preceding the date of the announcement of the Board resolution granting the reserved Restricted Shares;
- ② 50% of one of the average trading prices of the A Shares for the last 20 trading days, 60 trading days, or 120 trading days preceding the date of the announcement of the Board resolution granting the reserved Restricted Shares.

In addition, on 12 December 2023, the closing price of A Shares quoted on the Shanghai Stock Exchange was RMB26.88 per Share; on 12 December 2023, the closing price of H Shares quoted on the Hong Kong Stock Exchange was HKD10.52 per Share.

The abovementioned arrangements in relation to the Grant Price are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

4. *The Total Funds to be Raised and the Proposed Use of the Proceeds*

Based on the Grant Price of the Restricted Shares under the first grant, the total funds to be raised from the first grant of the Restricted Shares is estimated to be approximately RMB762,160,000. The grant of the reserved Restricted Shares shall be implemented in accordance with the aforementioned basis of determination. These proceeds are intended to be used as the general working capital of the Company.

LETTER FROM THE BOARD

VII. Conditions on Grant and Unlocking of the Restricted Shares

1. *Conditions on the Grant of the Restricted Shares*

Restricted Shares may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Restricted Shares cannot be granted to the Participants if any of the following conditions of grant is not satisfied.

(1) *There is no occurrence of any of the following events on the part of the Company:*

- ① issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- ② issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ prohibition from implementation of a share incentive scheme by laws and regulations;
- ⑤ other circumstances determined by the CSRC.

(2) *There is no occurrence of any of the following events on the part of the Participants:*

- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to the material non-compliance of laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

LETTER FROM THE BOARD

2. *Conditions on the Unlocking of the Restricted Shares*

During the Unlocking Period, the following conditions must be fulfilled before the Restricted Shares granted to the Participants can be unlocked:

(1) There is no occurrence of any of the following events on the part of the Company:

- ① issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- ② issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ prohibition from implementation of a share incentive scheme by laws and regulations;
- ⑤ other circumstances determined by the CSRC.

(2) There is no occurrence of any of the following events on the part of the Participants:

- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to the material non-compliance of laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

LETTER FROM THE BOARD

In case the Company has any of the circumstances specified in the above sub-paragraph (1), all the Restricted Shares that have been granted to the Participants under this incentive scheme but have not been unlocked shall be repurchased and cancelled by the Company; in case of any circumstance specified in the sub-paragraph (1) under which one becomes personally liable, the repurchase price shall not exceed the Grant Price; in case any Participant has any of the circumstances specified in the above sub-paragraph (2), the Restricted Shares that have been granted to the Participant under this incentive scheme but have not been unlocked shall be repurchased and cancelled by the Company, the repurchase price shall not exceed the Grant Price.

(3) Performance appraisal at company level

The unlocking appraisal period of the Restricted Share Incentive Scheme covers three accounting years from 2024 to 2026. The unlockable proportion at company level (X) shall be determined according to the completion rate of performance targets (P) in each performance appraisal year. The performance appraisal target of each year for Restricted Shares under the first grant is as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	$\sum (\text{actual value of performance indicator/target value of performance indicator}) \times \text{weight of performance indicator}$	
First Unlocking Period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
Second Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Third Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

LETTER FROM THE BOARD

If the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved portion will be consistent with that of the initially granted portion; if the reserved restricted shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the performance appraisal targets for each year of the reserved restricted shares will be as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	$\sum (\text{actual value of performance indicator/target value of performance indicator}) \times \text{weight of performance indicator}$	
First Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Second Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

Note: The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

Performance indicator	Achievement of annual performance targets	Unlocking proportion at company level (X)
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to achieve the above performance appraisal targets, all the Restricted Shares held by the Participants that are unlockable in relevant appraisal year shall not be unlocked and shall be repurchased and cancelled by the Company.

If unlocking conditions are not satisfied in any Unlocking Period within the Validity Period of this incentive scheme, such portion of the Restricted Shares unlockable in the current period cannot be deferred to the next year and will be repurchased and cancelled by the Company.

LETTER FROM THE BOARD

(4) Performance appraisal at individual level

The annual performance appraisal results of the Participants are classified into five grades, i.e., A, B, C, D and E. The unlocking proportion (N) at individual level is determined based on the appraisal results set out in the table below:

Annual performance evaluation results	A	B	C	D	E
Unlocking proportion at individual level (N)	100%	100%	80%	0%	

Actual unlockable proportion of individual Participants for the year = unlockable proportion for the current period × unlockable proportion at company level (X) × unlocking proportion at individual level (N).

Restricted Shares of Participants not eligible for unlocking in the year shall be repurchased and cancelled by the Company.

3. Scientificity and Reasonableness of the Appraisal Indicators

The appraisal indicators of the Restricted Share Incentive Scheme are in line with the basic requirements of laws and regulations as well as the Company's Articles of Association. The appraisal indicators of the Company are categorised into two levels, i.e. performance appraisal at company level and performance appraisal at individual level.

The performance appraisal indicators at company level under the Restricted Share Incentive Scheme are sales volume and net profit. The sales volume is our core strategic indicator, which is designed to support the realization of the sale target; the net profit is the ultimate manifestation of the Company's profitability and corporate growth, and the increasing net profit is the basis for the survival of the enterprise and the condition for its development. The Company predicts that market competition will further intensify in the next three years against the backdrop of the development of the automobile industry's stock market. The Company will firmly pursue quality market share growth, adhere to long-term sustainable and high-quality development, and focus on deepening resources to new energy, intelligence and globalization. In terms of technology research and development, the Company will accelerate technology iteration and innovation and increase research and development investment in the fields of intelligence and new energy for improving product competitiveness and achieving category innovation. In terms of brands and channels, the Company will accelerate the construction of new marketing and channel capabilities under the Internet model, and increase investment in brand-building and channel upgrading. Meanwhile, the Company will deepen the construction of a new pattern of enterprise growth driven by both technology and brand.

LETTER FROM THE BOARD

In order to further increase the Company's attractiveness to talents in the industry, facilitate the construction of the Company's core team, fully mobilize the initiative and creativity of the Company's core staff, enhance the Company's competitiveness, ensure that the Company maintains sustained and stable growth, achieve the Company's future development strategy and business goals, and bring more efficient and sustainable returns to Shareholders, after comprehensively considering the current macroeconomic environment, the Company's historical performance, the industry development status, and the Company's future development plans and other relevant factors, the Company, making reasonable prediction and taking into account the incentive effect of this scheme, has set the above-mentioned performance appraisal targets for this scheme and established a corresponding appraisal model with stage-by-stage exercise, which achieves the dynamic adjustment of the equity exercise ratio against the performance growth level, reflecting the higher growth and profitability requirements while ensuring the expected incentive effect. Therefore, the indicator setting is reasonable and scientific. For the Participants, the performance targets are clear and challenging.

In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which evaluates the performance of Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the unlocking conditions based on their performance appraisal results for the previous year.

Given the above, the appraisal system for the Restricted Share Incentive Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of this incentive scheme.

VIII. Methods and Procedures for Adjustment of the Restricted Share Incentive Scheme

1. Methods of Adjusting the Number of Restricted Shares

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of the announcement of the Restricted Share Incentive Scheme to the completion of registration of Restricted Shares by the Participants, the number of Restricted Shares shall be adjusted accordingly. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and sub-division of share capital

$$Q=Q0\times(1+n)$$

LETTER FROM THE BOARD

Where: Q0 represents the number of Restricted Shares before the adjustment; n represents the ratio of increase per share resulting from capitalization issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and sub-division of the share capital); Q represents the adjusted number of Restricted Shares.

(2) *Rights issue*

$$Q=Q0 \times P1 \times (1+n) \div (P1+P2 \times n)$$

Where: Q0 represents the number of Restricted Shares before the adjustment; P1 represents the closing price as at the record date; P2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

(3) *Share consolidation*

$$Q=Q0 \times n$$

Where: Q0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares.

(4) *Dividend distribution and additional issues*

Under the above circumstances, no adjustment will be made on the number of the Restricted Shares.

2. *Method of Adjusting the Grant Price of the Restricted Shares*

In the event that, from the date of the date of this announcement on this incentive scheme to the registration of the Restricted Shares by the Participants, any capitalisation issue, bonus issue and sub-division of share capital, rights issue, share consolidation or dividend distribution has been made by the Company, an adjustment to the Grant Price of Restricted Shares shall be made by the Company accordingly. The adjustment method is as follows:

(1) *Capitalisation issue, bonus issue and sub-division of share capital*

$$P=P0 \div (1+n)$$

Where: P0 represents the Grant Price before the adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and sub-division of shares; P represents the adjusted Grant Price.

LETTER FROM THE BOARD

(2) *Rights issue*

$$P=P0\times(P1+P2\times n)\div[P1\times(1+n)]$$

Where: P0 represents the Grant Price before the adjustment; P1 represents the closing price as at the record date; P2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

(3) *Share consolidation*

$$P=P0\div n$$

Where: P0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Grant Price.

(4) *Dividend distribution*

$$P=P0-V$$

Where: P0 represents the Grant Price before the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. P shall be greater than 1 after the dividend distribution.

(5) *Under the circumstance of additional issue of new shares, no adjustment will be made on the Grant Price of the Restricted Shares.*

3. *Adjustment Procedures for the Restricted Share Incentive Scheme*

The general meeting of the Company shall authorize the Board to adjust the number or the Grant Price of Restricted Shares for the above reasons. After the Board adjusts the Grant Price or the number of Restricted Shares according to the above provisions, it shall promptly make an announcement and notify the Participants in accordance with the relevant provisions, and perform the information disclosure procedures. The Company will comply with Rule 17.03(13) of the Hong Kong Listing Rules when conducting such adjustment, and will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and this incentive scheme.

If, for other reasons, it is necessary to adjust the number, the Grant Price or other terms of Restricted Shares, the Company will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and this incentive scheme, which shall be subject to consideration and approval of the general meeting.

LETTER FROM THE BOARD

IX. Accounting Treatment of Restricted Shares

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 –Share-Based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

1. Accounting treatment

(1) On the Grant Date

The bank deposit, share capital, capital reserve, treasury stock and other payables shall be recognized according to the status of the grant of Restricted Shares to the Participants by the Company.

(2) On each balance sheet date during the Lock-up Period

Pursuant to the requirements of the accounting standards, the services provided by the staff for current period will be recognised as costs and the owners' equity or liability will be recognized on each balance sheet date during the Lock-up Period based on the best estimate of the number of unlockable Restricted Shares and the fair value of the equity instrument on the Grant Date.

(3) On the unlocking date

On the unlocking date, if the unlocking conditions are fulfilled, the Restricted Shares shall be unlocked and the capital reserve recognised on each balance sheet date before the unlocking date shall be carried forward (other capital reserves); if all or part of the Shares are lapsed or cancelled since the same have not been unlocked, such Shares will be repurchased by the Company at the Grant Price and dealt with pursuant to the accounting standards and relevant requirements.

LETTER FROM THE BOARD

2. *Estimated Impact on the Operating Performance of Each of the Period due to Implementation of the Restricted Shares*

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company shall measure the fair value of the Restricted Shares based on the market prices of the Shares. On the measurement date, the fair value of share-based payment per Restricted Share = market price of the Shares of the Company – Grant Price.

Assuming the Company grants Restricted Shares in January 2024, based on the data on 12 December 2023, the total amount of fair value of the equity instruments granted by the Company to the Participants is RMB743,120,000 yuan, details are set out below:

Currency: RMB

Number of Restricted Shares (0'000 shares)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
5,600.00	74,312.00	37,168.70	24,694.45	10,162.32	2,286.52

Notes:

- ① For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares granted.
- ② The above results do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the Grant Price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of Shareholders.
- ③ The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

The estimate is based on certain parameters and the actual costs of share incentives will vary with parameters as determined by the Board after the grant date. The Company will disclose specific accounting methods and the impact on the financial data of the Company in the regular reports of the Company.

X. Implementation Procedures of the Share Incentive Scheme

1. *Procedures for the Restricted Share Incentive Scheme to Take Effect*

- (1) The Remuneration Committee is responsible for preparing the draft of this incentive scheme, Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited.

LETTER FROM THE BOARD

- (2) The Board shall consider the draft of this incentive scheme, Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited prepared by the Remuneration Committee. When the Board considers this incentive scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting. After the Board reviewed and approved this incentive scheme and performed the announcement procedure, it should propose this incentive scheme to the general meeting for review and approval; at the same time, it shall propose to the general meeting to authorize and execute the grant, repurchase and cancellation of the Restricted Shares.
- (3) The Supervisory Committee shall issue opinions in respect of whether this scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.
- (4) The Company shall, within two trading days after the draft of this incentive scheme is considered and passed by the Board, publish an announcement of the Board resolution, announcing the draft and a summary of this incentive scheme and opinion of the Supervisory Committee.
- (5) The Company should carry out self-investigation on the trading of Shares of the Company by insiders during the 6 months' period prior to the announcement of this incentive scheme. Those who trade in the Shares of the Company while possessing inside information (except where laws, administrative regulations and relevant judicial interpretations deem not to be insider transaction) may not become Participants. Those who leak inside information which causes insider transaction to take place may not become Participants.
- (6) The Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days. The Supervisory Committee shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before this incentive scheme is considered at a general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
- (7) When the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company are convened to vote on this incentive scheme, the Independent Directors shall solicit proxy voting rights from all Shareholders regarding this incentive scheme. At the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, it is required to vote on the content of the Share Incentive Scheme under Article 9 of the

LETTER FROM THE BOARD

Management Measures, and this incentive scheme shall be passed by more than two thirds of the voting rights held by the Shareholders present at the meeting. Except for the Directors, Supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the Company's Shares, the voting by other Shareholders shall be separately counted and disclosed.

When the Share Incentive Scheme is considered at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, Shareholders who are Participants or Shareholders who have a related relationship with the Participants shall abstain from voting thereon.

- (8) The Company shall disclose the announcement on the resolutions of the general meeting, the Share Incentive Scheme as considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and the self-examination report and legal opinions of the general meeting on the inside information insiders' trading of the Shares of the Company.
- (9) After this incentive scheme has been considered and approved at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Board of the Company shall, according to the delegation of the general meeting, grant entitlements and complete the registration and announcement procedures within 60 days from the date of consideration and approval of this incentive scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board shall handle the grant, repurchase and cancellation of the Restricted Shares and other matters according to the delegation of the general meeting.

2. *Procedures for Grant of Restricted Shares*

- (1) Upon consideration and approval of this incentive scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Company shall sign an Agreement on Grant of/Subscription for Incentive Shares with the Participants in order to define their respective rights and obligations. If a Participant fails to sign an Agreement on Grant of/Subscription for Incentive Shares, he/she shall be deemed to have automatically abandoned his/her rights and obligations.
- (2) The Board shall consider and announce whether the conditions stipulated under the Share Incentive Scheme for the Participants to receive entitlements have been satisfied before the Company grants such entitlements to such Participants. The Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the Participants to receive such entitlements are fulfilled or not.

LETTER FROM THE BOARD

- (3) The Supervisory Committee of the Company shall verify the list of Participants on the Grant Date of the Restricted Shares and issue their views on such verification.
- (4) If there is any discrepancy between the grant of entitlements to the Participants and the arrangement of the Share Incentive Scheme, the Remuneration Committee, the Supervisory Committee (where there is a change of the Participants), the law firm and the independent financial adviser, if necessary, shall all express their views explicitly.
- (5) The Company shall make a grant to the Participants and complete the announcement and registration procedures within 60 days (excluding the period during which no grant of entitlements is allowed pursuant to the requirements under laws and regulations) after the Share Incentive Scheme is considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board of the Company shall disclose the implementation thereof timely by way of announcement after completion of the registration of the grant. In the event that the Company fails to complete the procedures mentioned above within such 60 days, this scheme shall be terminated, and the Board shall disclose the reason for such failure timely and shall not be allowed to consider the Share Incentive Scheme within the following three months.
- (6) The Participants of the Restricted Shares shall pay the consideration for subscribing for the Restricted Shares into the account designated by the Company in accordance with the Agreement on Grant of/Subscription for Incentive Shares. The Participant shall be deemed as having waived his or her right to subscribe for the Restricted Shares not fully paid.
- (7) The Company shall make an application to the stock exchange first before any entitlements are granted, and the securities registration and clearing institution will conduct registration procedure thereof upon confirmation by such stock exchange.
- (8) The granting procedures for the reserved interests of the Company shall be executed with reference to the procedures for the first grant. The Participants of the reserved interests shall be determined within 12 months after this scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. If the Participants are not determined within 12 months, the reserved interests shall lapse.

3. *Procedures for Unlocking of the Restricted Shares*

- (1) The Company shall confirm whether the Participants satisfy the unlocking conditions before the unlocking date. The Board shall consider whether the unlocking conditions as set out in the Restricted Share Incentive Scheme have been satisfied. The Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the

LETTER FROM THE BOARD

conditions for the unlocking by the Participants are fulfilled or not. For the Participants who satisfy the unlocking conditions, the Company shall handle the unlocking at its discretion, and for the Participants who fail to satisfy the unlocking conditions, the Company will repurchase and cancel the Restricted Shares corresponding to the unlocking this time. The Company shall disclose the implementation thereof timely by way of announcement.

- (2) A Participant may transfer the unlocked Restricted Shares, but the transfer of Shares held by Directors and senior management of the Company shall be in compliance with the requirements of relevant laws, regulations and normative documents.
- (3) Before the unlocking of Restricted Shares of the Participants, the Company shall apply to the stock exchange. Upon confirmation by the stock exchange, the securities registration and clearing institution will handle the relevant registration and clearing matter.

4. Procedures for Amendment of the Restricted Share Incentive Scheme

(1) Procedures for Amendment of the Restricted Share Incentive Scheme

1. If the Company intends to amend the Restricted Share Scheme before it is considered at the general meeting, such amendment shall be considered and approved by the Board.
2. If the Company intends to amend the Restricted Share Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
 - (1) unlocking of the Restricted Shares ahead of schedule;
 - (2) reducing the Grant Price.
3. The Supervisory Committee of the Company shall give opinions as to whether the amendments to this scheme are conducive to the sustainable development of the Company or are significantly detrimental to the interests of the Company and the Shareholders as a whole.
4. A law firm shall issue professional opinions as to whether the amendments to this scheme are in compliance with the requirements of the Management Measures and relevant laws and regulations or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. *Procedures for Termination of the Restricted Share Incentive Scheme*

1. If the Company intends to terminate the implementation of the Restricted Share Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
2. If the Company intends to terminate the implementation of the Restricted Share Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at general meeting.
3. A law firm shall issue professional opinions as to whether the termination of this incentive scheme by the listed company is in compliance with the requirements of the Measures and relevant laws and regulations or is significantly detrimental to the interests of the listed company and the Shareholders as a whole.
4. Upon termination of the Restricted Share Incentive Scheme, the Company shall repurchase Restricted Shares that have not been unlocked, and deal with them in accordance with the provisions of the Company Law.
5. If the Company's general meeting or the Board meeting considers and approves the resolution to terminate the implementation of the Share Incentive Scheme, it shall not be allowed to review Share Incentive Scheme in the following 3 months from the date of the announcement of the resolution.

XI. Respective Rights and Obligations of the Company/Participants

1. *Rights and Obligations of the Company*

- (1) The Company shall have the right to construe and execute the Restricted Share Incentive Scheme and shall appraise the performance of the Participants based on the requirements under the Restricted Share Incentive Scheme. If a Participant fails to fulfill the unlocking conditions required under the Restricted Share Incentive Scheme, the Company will repurchase and cancel the Restricted Shares which have not been unlocked by the Participants in accordance with the principles under the Restricted Share Incentive Scheme.
- (2) The Company undertakes not to provide loans and financial support in any other forms, including providing guarantee for loans, to the Participants for acquiring the Restricted Shares under the Restricted Share Incentive Scheme.
- (3) The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Restricted Share Incentive Scheme in accordance with the relevant requirements.

LETTER FROM THE BOARD

- (4) The Company shall actively support the Participants who have fulfilled the unlocking conditions to unlock the Restricted Shares in accordance with the relevant requirements including those of the Restricted Share Incentive Scheme, the CSRC, the Stock Exchange, China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Participants who fail to unlock the Restricted Shares at their own will due to reasons caused by the CSRC, the stock exchange and China Securities Depository and Clearing Corporation Limited.
- (5) The Company confirms that the eligibility of the Participants under the Restricted Share Incentive Scheme does not represent the right of such Participants to continue to serve the Company and does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Participants is still governed by the employment contract between the parties.
- (6) Other relevant rights and obligations under the laws, regulations and the Restricted Share Incentive Scheme.

2. *Rights and Obligations of the Participants*

- (1) A Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company.
- (2) Source of funds shall be self-financed by the Participants.
- (3) Upon completion of registration by the China Securities Depository and Clearing Corporation Limited, the Restricted Shares granted to the Participants shall have the same rights as Shares, including but not limited to the rights to dividend, the rights to rights issue, the rights to vote and the rights to participate in the distribution of remaining assets in the Company's liquidation conferred by such Shares.

The Restricted Shares granted to the Participants under the Restricted Share Scheme shall not be transferred or used as guarantee or for repayment of debt before unlocking of the Restricted Shares.

- (4) Any gains of the Participants generated from this incentive scheme are subject to individual income tax and other taxes according to PRC tax laws.
- (5) The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests

LETTER FROM THE BOARD

gained through the Share Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading statements or material omissions.

- (6) Upon consideration and approval of the Restricted Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will sign an Agreement on Grant of/Subscription for Incentive Shares with each Participant in order to define their respective rights and obligations under this incentive scheme and other relevant matters.
- (7) Other relevant rights and obligations under the laws, regulations and the Restricted Share Incentive Scheme.

XII. Handling Unusual Changes to the Company/Participants

1. *Handling Unusual Changes to the Company*

- (1) This scheme shall be terminated if any of the following events occurs to the Company:
 - ① change in control of the Company;
 - ② merger and spin-off of the Company.
- (2) The Restricted Share Incentive Scheme shall be terminated immediately if any of the following events occurs to the Company, the Restricted Shares which have been granted to the Participants but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company; in case of the following events under which one becomes personally liable, the repurchase price shall not exceed the Grant Price:
 - ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;

LETTER FROM THE BOARD

- ④ prohibition from implementation of a share incentive scheme by laws and regulations;
 - ⑤ other circumstances under which this incentive scheme shall be terminated as determined by the China Securities Regulatory Commission.
- (3) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with grant conditions or unlocking arrangements, all the Restricted Shares that have not been unlocked shall be repurchased and cancelled by the Company uniformly. In respect of the Restricted Shares granted to Participants and already unlocked by the Participants, the Participants concerned shall return to the Company all interests granted.

The Board shall recover the gain received by the Participants in accordance with the aforesaid provisions and the relevant arrangements under the Restricted Share Incentive Scheme.

- (4) In the event of any political and policy risks, serious natural calamities and other force majeure during the Validity Period of the Restricted Share Incentive Scheme, the occurrence of which is beyond the control of the Company's management, the Board may terminate the Restricted Share Incentive Scheme.

2. *Handling Unusual Changes to the Participants*

- (1) If the Participants are demoted but still meet the incentive conditions after demotion, the Restricted Shares that can be unlocked shall be re-determined according to the standards corresponding to their new positions, and the Restricted Shares so reduced shall be repurchased and cancelled by the Company.

If the Participants are demoted and no longer meet the incentive conditions as stipulated in the Restricted Share Scheme after demotion, the Restricted Shares that have been unlocked shall be unlocked normally, and the Restricted Shares that have been granted but not yet unlocked shall be repurchased and cancelled by the Company.

- (2) If any of the following circumstances occurs to a Participant, his/her Restricted Shares that have been granted shall be handled in accordance with the procedures under the Restricted Share Incentive Scheme, and the performance appraisal at the business unit level and the performance appraisal at the individual level will no longer be included in the unlocking conditions:

- A. civil incapacity arising out of work;
- B. death arising out of work;

LETTER FROM THE BOARD

(3) Retirement of Participants

- A. Where Participants leave the Company due to retirement, their Restricted Shares for which the unlocking conditions have been met shall be handled as per the procedures under the Restricted Share Incentive Scheme prior to the retirement. Restricted Shares of the Participants granted but for which the unlocking conditions have not been met shall not be unlocked and shall be repurchased and canceled by the Company.
- B. If the Participants are re-employed after retirement, the Restricted Shares granted to them shall be handled fully according to the procedures specified in the Restricted Share Scheme before their retirement.

(4) If any of the following circumstances occurs, the Restricted Shares which have been granted but not yet unlocked shall not be unlocked and shall be repurchased and canceled by the Company:

- A. When the labor contract of a Participant is terminated or dismissed by the Company due to reasons other than the above Paragraph (2) and Paragraph (3);
- B. When a Participant ceases to work in the listed company but still holds position in the Group due to the transfer of position;
- C. When a Participant holds position in a wholly-owned or controlled subsidiary of Great Wall Motor Company Limited, if Great Wall Motor Company Limited loses control of the subsidiary and the Participant still work in the subsidiary;
- D. When a Participant serves as a Supervisor or an Independent Director or holds other position prohibited from holding the Company's Restricted Shares due to redesignation;

(5) Where a Participant causes serious loss to the Company due to violation of laws, regulations or if the employment relationship is terminated by the Company due to violation of the Company's anti-bribery management system, the Restricted Shares that have been granted but not yet unlocked shall be repurchased by the Company at the original price and canceled, and the Company may require the Participant to return the proceeds from the unlocked Restricted Shares.

(6) Where a Participant after his/her termination of office causes serious loss to the Company due to violation of competition restrictions, violating the Company's anti-bribery management system or major work problems identified after his/her termination of office, the Company shall have the right to require the Participant to return all the proceeds obtained under the Restricted Share Incentive Scheme.

LETTER FROM THE BOARD

- (7) In the implementation process of the Restricted Share Incentive Scheme, if a Participant is prohibited from being the Participant due to the circumstances as stipulated in Article 8 of the Management Measures, the Company shall not continue to grant him/her the rights and interests, and the Restricted Shares that have been granted but not yet unlocked shall be repurchased and cancelled by the Company at a repurchase price not higher than the Grant Price.
- (8) Other circumstances not stated above and the handling method thereof shall be determined by the Remuneration Committee.

The abovementioned clawback arrangements are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

3. Resolution of Disputes between the Company and the Participants

Any dispute arising out of the implementation of the Restricted Share Incentive Scheme and/or the share incentive agreement signed by the Company and the Participants or any dispute in relation to the Restricted Share Incentive Scheme and/or the share incentive agreement shall be settled by negotiation and communication between the parties or through mediation conducted by the Remuneration Committee of the Board of the Company. If relevant disputes fail to be settled through the abovementioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people's court with jurisdiction in the place where the Company is located.

XIII.Principles of Repurchase and Cancellation of Restricted Shares

1. Repurchase Price of the Restricted Shares

In the event that the Company repurchases and cancels the Restricted Shares in accordance with the requirements of this incentive scheme, save and except any adjustment required to be made to the number and price of the Restricted Shares to be repurchased herein below, the number of the Restricted Shares to be repurchased shall be the number of the Restricted Shares granted but not yet unlocked and the repurchase price shall be the sum of the Grant Price and the interests for bank deposits during the same period. However, if any Participant assumes personal liabilities under section 1 of Article 18 of the Management Measures, or any Participant falls within section 2 of Article 18 of the Management Measures, the repurchase price shall be the Grant Price.

LETTER FROM THE BOARD

2. *Method for Adjustment of Repurchase Quantity*

Upon completion of registration of the Restricted Shares granted to the Participants, in case of capitalisation issue, bonus issue, share subdivision, rights issue, share consolidation and other matters affecting the total share capital or the number of Shares of the Company, it shall make adjustments to the repurchase quantity of the Restricted Shares yet to be unlocked accordingly. The Company will repurchase such number of Restricted Shares granted to, and Shares of the Company so obtained therefrom by, the Participants based on such adjustment. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and share subdivision

$$Q=Q0\times(1+n)$$

Where: Q0 represents the number of Restricted Shares prior to adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and share subdivision (i.e. the increase in number of shares per share upon capitalisation issue, bonus issue and share subdivision); Q represents the number of Restricted Shares after adjustment.

(2) Rights issue

$$Q=Q0\times P1\times(1+n)\div(P1+P2\times n)$$

Where: Q0 represents the number of Restricted Shares prior to adjustment; P1 represents the closing price on the record date; P2 represents the price of rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company prior to the rights issue); Q represents the number of Restricted Shares after adjustment.

(3) Share consolidation

$$Q=Q0\times n$$

Where: Q0 represents the number of Restricted Shares prior to adjustment; n represents the ratio of share consolidation (i.e. one share of the Company shall be consolidated into n share); Q represents the number of Restricted Shares after adjustment.

(4) Dividend distribution and additional issues

Under the above circumstances, no adjustment will be made by the Company to the number of the Restricted Shares.

LETTER FROM THE BOARD

3. *Method for Adjustment of Repurchase Price*

Upon completion of registration of the Restricted Shares granted to the Participants, in case of capitalisation issue, bonus issue, share subdivision, rights issue, share consolidation or distribution of dividends and other issues affecting the total share capital or share price of the Company, the repurchase price of Restricted Shares yet to be unlocked shall be adjusted by the Company accordingly. The Company will repurchase the Restricted Shares granted to, and shares of the Company so obtained therefrom by, the Participants at the adjusted price. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and share subdivision

$$P=P0\div(1+n)$$

Where: P0 represents the Grant Price per Restricted Share; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and share subdivision (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and share subdivision); P represents the repurchase price per Restricted Share after adjustment.

(2) Rights issue

$$P=P0\times(P1+P2\times n)\div[P1\times(1+n)]$$

Where: P0 represents the Grant Price per Restricted Share; P1 represents the closing price of shares on the record date; P2 represents the price of rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company prior to the rights issue); P represents the repurchase price per Restricted Share after adjustment.

(3) Share consolidation

$$P=P0\div n$$

Where: P0 represents the Grant Price per Restricted Share; n represents the ratio of share consolidation per share (i.e. one share shall be consolidated into n share); P represents the repurchase price per Restricted Share after adjustment.

(4) Dividend distribution

$$P=P0-V$$

Where: P0 represents the repurchase price per Restricted Share prior to adjustment; V represents the amount of dividends per share; P represents the repurchase price per Restricted Share after adjustment. P shall be greater than 1 after the dividend distribution.

LETTER FROM THE BOARD

- (5) *Under the circumstance of additional issue of new shares, no adjustment will be made by the Company to the repurchase price of the Restricted Shares.*

4. *Procedures for Adjustment of Repurchase Quantity and Price*

- (1) The Board of the Company shall be authorized at the general meeting of Company to adjust the repurchase quantity or price of Restricted Shares based on the reasons listed above. After adjustment to the repurchase quantity or price according to the above provisions, an announcement shall be made in a timely manner.
- (2) The adjustment to the repurchase quantity or price of Restricted Shares for other reasons shall be subject to resolution of the Board and approval at the general meeting.

5. *Procedures of Repurchase and Cancellation*

- (1) The Company shall promptly convene a Board meeting pursuant to the mandate from the general meeting to consider the Share repurchase plan and publish announcements in a timely manner;
- (2) The Company will engage a law firm to give professional advice on whether the repurchase plan of shares is in compliance with the laws, administrative regulations, the Management Measures and the Restricted Share Incentive Scheme;
- (3) When implementing repurchase in accordance with the provisions of the Restricted Share Incentive Scheme, the Company shall apply to the stock exchange for relevant procedures for the cancellation of Restricted Shares. Upon confirmation by the stock exchange, the Company shall complete the cancellation procedures with China Securities Depository and Clearing Corporation Limited in a timely manner and make an announcement.

Funding Arrangement for the Participants for Subscription of the Restricted Shares and Payment of Individual Income Tax

The Participants shall arrange their own capital for subscription of the Restricted Shares and payment of individual income tax. The Company undertakes not to provide loans and financial assistance in any other forms, including guarantee for loans, to the Participants for the purpose of obtaining the underlying Shares under the 2023 Restricted Share Incentive Scheme. The amount of the subscription of the Restricted Shares shall be paid before the Company's verification of the subscription.

LETTER FROM THE BOARD

Equity Fundraising Activities in the Past 12 Months

Pursuant to the 2020 Restricted Shares and Share Options Incentive Scheme and the 2021 Share Option Incentive Scheme, as of 12 December, 2023, during the past 12 months, the total amount of subscriptions received from Participants in the form of monetary contributions due to the exercise of Share Options was RMB201,000,000, and the cumulative amount of conversion received due to the conversion of the Company's convertible bonds was RMB199,100, and the aforementioned funds were used entirely to replenish the Company's liquidity. In addition, the Company did not engage in any capital raising activities involving the issuance of equity securities.

Implications under the Hong Kong Listing Rules

The 2023 Restricted Share Incentive Scheme involves issuance of new A Shares by the Company and is subject to the announcement and shareholders' approval requirements under Rule 17.02 to Rule 17.11 of Chapter 17 of the Listing Rules. According to Chapter 14A of the Listing Rules, the connected persons among the Participants of the Restricted Share Incentive Scheme are the general manager of the Company and directors or general managers of subsidiaries of the Company. The aggregated number of Restricted Shares to be granted to such connected persons is 3,851,000, representing 0.05% of the total Shares of the Company in issue as at the Latest Practicable Date. In accordance with Rule 14A.92(3)(a) of the Listing Rules, the grant of Restricted Shares to the connected persons under the 2023 Restricted Share Incentive Scheme is fully exempt from shareholders' approval, annual review and all disclosure requirements.

According to Rule 17.03(13) of the Hong Kong Listing Rules, the scheme document must include a provision for adjustment of the purchase price and/or the number of securities subject to awards granted under the scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital.

In addition to the events where adjustment to the Grant Price is required under Rule 17.03(13) of the Hong Kong Listing Rules, the 2023 Restricted Share Incentive Scheme also provides for the adjustment to the Grant Price in the event of dividend distribution.

On the basis of the following factors, the Company has applied for, and the Stock Exchange has granted a waiver from strict compliance with Rule 17.03(13) of the Hong Kong Listing Rules in respect of the adjustment to the Grant Price in the event of dividend distribution for the 2023 Restricted Share Incentive Scheme:

- (i) the Company is a PRC issuer, the Restricted Share Scheme involve issue of A Shares only and the Restricted Share Scheme must comply with PRC law;

LETTER FROM THE BOARD

- (ii) as advised by the Company's PRC legal advisors, adjustments to the grant price of the restricted shares granted under the Restricted Share Scheme in the event of dividend distribution are required by the currently effective PRC law (i.e. the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》));
- (iii) the proposed adoption of the Restricted Share Scheme will be subject to the approval of the Shareholders at the general meeting, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Restricted Share Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; and
- (iv) adjustments to the grant price of restricted shares granted under Restricted Share Scheme in the event of dividend distribution will not adversely affect interest of shareholders of the Company.

For details of adjustment of the Grant Price under the 2023 Restricted Share Incentive Scheme, please refer to Appendix I to this circular.

The full text of 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) is set out in the Appendix I to this circular. All the terms of the 2023 Restricted Share Incentive Scheme shall be approved by Shareholders at the general meeting and Class Meetings of the Company.

3. PROPOSED ADOPTION OF THE 2023 A SHARE OPTION INCENTIVE SCHEME

Reference is made to the announcement of the Company dated 12 December 2023, in which the Board considered and approved the relevant resolution in relation to proposed adoption of the 2023 A Share Option Incentive Scheme. This scheme will become effective upon consideration and approval of the general meeting and the Class Meetings of the Company. Before the general meeting and the Class Meetings are held for approval of this scheme, the Company may amend this scheme upon the request of the regulatory authorities of the PRC and/or Hong Kong.

I. Purpose and Principles of the Share Option Incentive Scheme

(I) Purpose of the Share Option Incentive Scheme

For future-oriented long-term development and governance, the Company has built an innovative long-term incentive mechanism to turn employees from “workers doing work” to “partners doing business” by granting them rights and obligations. By doing so, the Company aims to gather a group of fighters and business leaders with common values to promote its long-term and steady development and align the interests of all Shareholders. Specifically, the launch of this incentive scheme has the following purposes:

LETTER FROM THE BOARD

1. By establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, the Company aims to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of Shareholders, the Company and its key personnel, in order to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
2. By setting challenging performance targets to bring both pressure and motivation, which not only helps enhance the Company’s competitiveness but also helps mobilize the enthusiasm and creativity of the management and core backbone staff, the Company aims to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
3. This scheme, which can help attract and retain outstanding management talents and core business staff, is designed to meet the Company’s huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company’s cohesion, establish the Company’s human resources advantages, further stimulate the Company’s innovation vitality, and inject new power into the Company’s sustained and rapid development.

(II) The Share Option Incentive Scheme applies the following principles:

1. Principle of legal compliance

For the implementation of this incentive scheme, the Company performs relevant procedures in strict accordance with laws and administrative regulations and carries out information disclosure in a true, accurate, complete, and timely manner.

2. Principle of voluntary participation

The Company implements this incentive scheme in the principle of voluntary participation, and does not force employees to participate in this incentive scheme by means of forced allocation.

3. Principle of benefit sharing

This incentive scheme is linked to the Company’s key performance indicators, highlights the Company’s common vision, and closely aligns the long-term interests of the Company’s management, core backbone staff and Shareholders.

LETTER FROM THE BOARD

II. Administrative Body of the Share Option Incentive Scheme

1. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of this incentive scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to this incentive scheme.
2. The Board shall act as the executive and administrative body for this incentive scheme and be responsible for the implementation of this incentive scheme. The Remuneration Committee under the Board shall be responsible for drafting and revising this incentive scheme, and submitting this incentive scheme to the Board for consideration. Upon consideration and approval by the Board, this incentive scheme shall be further submitted to the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval. The Board may handle other matters relating to this incentive scheme within its scope of authority as delegated by the general meeting.
3. The Supervisory Committee shall act as the supervisory authority for this incentive scheme, and shall issue opinions as to whether this incentive scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise the implementation of this incentive scheme as to whether it is in compliance with the relevant laws, regulations, regulatory documents and operational rules of the Stock Exchange, and shall be responsible for verifying the list of the Participants. The Independent Director(s) shall solicit voting rights by proxy from all shareholders in respect of this incentive scheme.
4. Where amendments have been made to this incentive scheme before this incentive scheme is passed at the general meeting, the Remuneration Committee shall give advice to the Board of the Company, and the Supervisory Committee shall issue opinions as to whether the amended incentive scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole.

Before any entitlements are granted to a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements stipulated under this incentive scheme. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under this scheme, the Remuneration Committee and the Supervisory Committee (where there is a change of the Participants) shall simultaneously issue clear opinions thereon.

Before the exercise by a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions as to whether the conditions stipulated under the Share Incentive Scheme for the Participant to exercise such entitlements have been fulfilled.

LETTER FROM THE BOARD

III. Basis for Determining the Participants and the Scope of Participants

1. *Basis for Determining the Participants*

(1) Legal Basis for Determining the Participants

Participants of this incentive scheme are determined in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

Persons who are under the following circumstances may not be Participants, if he or she:

- ① has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
- ④ is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ is under other circumstances determined by the CSRC.

(2) Position Basis for Determining the Participants

The Participants of the grant under the Share Option Incentive Scheme shall be the middle management and core technical (business) backbone staff of the Company (including the subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development.

2. *Scope of Participants*

There are 1,195 Participants of the grant under the Share Option Incentive Scheme in total, being the middle management and core technical (business) staff of the Company (including the controlled subsidiaries);

LETTER FROM THE BOARD

The Participants under this incentive scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children. None of the members of the Board of the Company will participate in the Share Option Incentive Scheme.

All the Participants must hold positions in and enter into labour contracts with the Company (including the Company's subsidiaries listed in the consolidated statements) within the Validity Period of this incentive scheme.

The Participants of the reserved grant shall be determined within 12 months after this scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. Upon proposal by the Remuneration Committee of the Board and reviewed by the Board and after the Supervisory Committee express unequivocal opinions and the legal advisors express professional opinions and issue legal opinions, the Company shall disclose relevant information of the current Participants on the designated website in a timely and accurate manner. If the Participants are not determined within 12 months, the reserved interests shall lapse.

The abovementioned arrangements in relation to determining the basis and scope of Participants are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

3. *Verification of Participants*

- (1) After the Board has considered and approved the Share Option Incentive Scheme, the Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days.
- (2) The Supervisory Committee of the Company shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before this incentive scheme is considered at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

LETTER FROM THE BOARD

IV. Source, number and allocation of Share Options

1. Source of Shares of the Share Option Incentive Scheme

The source of the Underlying Shares of the Share Option Incentive Scheme shall be ordinary A Shares to be directly issued to the Participants by the Company.

2. Number of the Share Options to be Granted

The Company intends to grant 96,875,000 Share Options to the Participants, representing 1.1401% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme. Specifically, 77,500,000 options were granted under the first grant, representing 80% of the total number of Share Options to be granted under this incentive scheme and approximately 0.9121% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme; 19,375,000 options were reserved, representing 20% of the total number of Share Options to be granted under this incentive scheme and approximately 0.2280% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme.

The allocation of the Share Options granted to the Participants is as follows:

Name	Position	Number of the Share Options to be granted (0'000)	Percentage to the total number of the Share Options to be granted	Percentage to the current total number of Shares
Other management personnel and core technical (business) backbone staff (1,195 people)		7,750.00	80%	0.9121%
Reserved		1,937.50	20%	0.2280%
Total (1,195 people)		9,687.50	100%	1.1401%

Notes: ① The total Shares of the Company to be granted under the Share Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

② The Participants of this incentive scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children. The 1,195 Participants under the Share Option Incentive Scheme have been identified.

LETTER FROM THE BOARD

As the spouse of Ms. Li Hong Shuan is a participant of the 2023 Share Option Incentive Scheme, Ms. Li Hong Shuan has abstained from voting on the relevant Board resolutions to approve the 2023 Share Option Incentive Scheme. To avoid any possible conflict of interest, Ms. Li Hong Shuan will abstain from voting on all future resolutions related to the 2023 Share Option Incentive Scheme. Saved as disclosed above, none of the Directors is required to abstain from voting on the proposal of A Share Option Incentive Scheme and other related proposals.

The total number of A Shares which may be issued in respect of all options and awards to be granted under the Share Option Incentive Scheme and other share schemes of the Company (which is 291,329,995, represents 4.72% of the total number of A Shares issued by the Company as at the Latest Practicable Date) will not exceed 10% of the total number of A Shares issued by the Company. During the 12-month period up to and including the date of the grant of Share Option under the Share Option Incentive Scheme, the total number of A Shares issued or to be issued in respect of all options and awards granted or to be granted to any participant under the Share Option Incentive Scheme and other share schemes (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) will not exceed 1% of the total number of the A Shares issued by the Company.

V. Validity Period, Grant Date, Exercise Arrangement and Lock-up Period of the Share Option Incentive Scheme

1. Validity Period of the Share Option Incentive Scheme

The Validity Period of the Share Option Incentive Scheme shall commence on the date of the first grant of the Share Options and end on the date of exercising all the Share Options or the cancellation of such Share Options granted to the participant, which shall not exceed 48 months.

2. Grant Date of the Share Option Incentive Scheme

The Grant Date shall be determined by the Board after this incentive scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. The Company shall grant the Share options and complete the announcement and registration procedures within 60 days from the date on which this incentive scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, failing which the Company shall disclose the reasons for the failure and announce termination of this incentive scheme and the Share Options which have not even granted will lapse. The Grant Date of the reserved Share Options shall be the date of the announcement of the resolution of the Board considering the grant of this portion of Share options.

LETTER FROM THE BOARD

The Grant Date must be a trading day and must not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semi-annual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The above-mentioned period during which the Company is not allowed to grant Share Options is not included in the period of 60 days. In case of shareholding reduction by the Company's Directors or senior management as the Participants within six months before the grant of Share Options, the grant of Share Options shall be postponed for six months from the date of the last shareholding reduction in accordance with the short-swing trading provisions under the Securities Law.

3. Vesting Period of the Share Option Incentive Scheme

The Vesting Period of Share Options under the first grant of the Share Option Incentive Scheme shall be 12, 24 or 36 months from the Grant Date; if the reserved Share Options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Vesting Period of reserved Share Options will be consistent with that of the first grant; if the reserved Share Options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Vesting Period of the reserved Share Options shall be 12 or 24 months from the Grant Date.

During the Vesting Period, the Share Options which are granted to the Participants under this incentive scheme shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

The abovementioned arrangements of the vesting period are considered through comprehensive research and are beneficial to the long-term development of the Company as a whole and therefore in line with the purpose of this scheme.

LETTER FROM THE BOARD

4. *Exercisable Date of the Share Option Incentive Scheme*

The Share Options to be granted shall be exercisable after expiry of 12 months commencing from the date of the grant, subject to the approval of this scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Exercisable Date must be a trading day and shall not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semiannual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

5. *Exercise Arrangement of the Share Option Incentive Scheme*

On the Exercisable Date, the Participants can exercise their Share Options in three tranches within 36 months after the expiry of 12 months commencing from the date of the first grant of the Share Options, upon the fulfillment of the Exercise Conditions under this scheme.

LETTER FROM THE BOARD

The Exercise Period and exercise schedule for the Share Options under the first grant of this incentive scheme are shown in the table below:

Exercise arrangement	Exercise schedule	Exercise proportion
First Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 12 months from the date of the first grant to the last trading day upon the expiry of 24 months from the date of the first grant	1/3
Second Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 24 months from the date of the first grant to the last trading day upon the expiry of 36 months from the date of the first grant	1/3
Third Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 36 months from the date of the first grant to the last trading day upon the expiry of 48 months from the date of the first grant	1/3

If the reserved Share Options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Exercise Period and exercise schedule for each period will be consistent with those of the initially granted portion; if the reserved Share Options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Exercise Period and exercise schedule for each period are set out below:

Exercise arrangement	Exercise schedule	Exercise proportion
First Exercise Period of Share Options under the reserved grant	Commencing from the first trading day upon the expiry of 12 months from the date of the reserved grant to the last trading day upon the expiry of 24 months from the date of the reserved grant	1/2
Second Exercise Period of Share Options under the reserved grant	Commencing from the first trading day upon the expiry of 24 months from the date of the reserved grant to the last trading day upon the expiry of 36 months from the date of the reserved grant	1/2

For Share Options that have not been applied for exercise or cannot be applied for exercise due to failure to meet the exercise conditions during the aforesaid Exercise Periods, the exercise shall not be deferred to the next stage and the Company will cancel such Share Options from relevant Participants in accordance with the principles of this scheme.

LETTER FROM THE BOARD

6. *Lock-up Period of the Share Option Incentive Scheme*

The lock-up arrangement under this incentive scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

- (1) Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office.
- (2) Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains.
- (3) If, during the Validity Period of this incentive scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Participants during the relevant times.

VI. The Exercise Price of the Share Options and the Basis of Its Determination

1. *Exercise Price of the Share Options under the first grant*

The Exercise Price of the Share Options under the first grant shall be RMB27.22 per Share. Upon fulfillment of the Exercise Conditions, each Participant is entitled to purchase 1 Share of the Company at the price of RMB27.22 per Share for each Share Option he/she is granted.

2. *Basis of determination for the Exercise Price of the Share Options under the first grant*

The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① the average trading price of the A Shares (i.e. RMB26.04 per share) on the trading day preceding the date of the announcement of the draft of this incentive scheme;

LETTER FROM THE BOARD

- ② the average trading price of the A Shares (i.e. RMB27.22 per share) for 20 trading days preceding the date of the announcement of the draft of this incentive scheme.

3. *Basis of determination for the Exercise Price of the reserved Share Options*

Prior to each grant of the reserved Share Options, a Board meeting shall be held to consider and approve related resolutions and disclose related situation. The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- (1) the average trading price of the A Shares on the trading day preceding the date of the announcement of the Board resolution granting the reserved Share Options;
- (2) one of the average trading prices of the A Shares for the last 20 trading days, 60 trading days, or 120 trading days preceding the date of the announcement of the Board resolution granting the reserved Share Options.

The abovementioned arrangements in relation to the Exercise Price are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

VII. Conditions on Grant and Exercise of the Share Options

1. *Conditions on grant of the Share Options*

Share Options may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Share Options cannot be granted to the Participants if any of the following conditions of grant is not satisfied.

- (1) There is no occurrence of any of the following events on the part of the Company:
 - ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations;

LETTER FROM THE BOARD

- ⑤ other circumstances determined by the CSRC.
- (2) There is no occurrence of any of the following events on the part of the Participants:
- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
 - ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
 - ⑥ he or she is under other circumstances determined by the CSRC.

2. *Conditions on Exercise of the Share Options*

During the Exercise Period, the following conditions must be fulfilled before the Share Options granted to the Participants can be exercised:

- (1) There is no occurrence of any of the following events on the part of the Company:
- ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations;
 - ⑤ other circumstances determined by the CSRC.

LETTER FROM THE BOARD

(2) There is no occurrence of any of the following events on the part of the Participants:

- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph 1), all the Share Options that have been granted to the Participants under this incentive scheme but have not been exercised shall be cancelled by the Company; in case any participant has any of the circumstances specified in the above sub-paragraph 2), the Share Options that have been granted to the Participant under this incentive scheme but have not been exercised shall be cancelled by the Company.

(3) Performance appraisal at company level

The unlocking appraisal period of this incentive scheme covers three accounting years from 2024 to 2026. The unlockable proportion at company level (X) shall be determined according to the completion rate of performance targets (P) in each performance appraisal year. The performance appraisal target of each year for the Share Options under the first grant is as follows:

Selection of Performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	\sum (actual value of performance indicator/target value of performance indicator) \times weight of performance indicator	
First Exercise Period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024

LETTER FROM THE BOARD

Selection of Performance indicators	Sales volume	Net profit
Second Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Third Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

If the reserved Share Options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved Share Options shall be consistent with that of the first grant; if the reserved Share Options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the annual performance appraisal targets of the reserved Share Options are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	$\sum (\text{actual value of performance indicator} / \text{target value of performance indicator}) \times \text{weight of performance indicator}$	
First Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Second Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

Note: The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

LETTER FROM THE BOARD

Performance indicator	Achievement of annual performance targets	Exercise proportion at company level (X)
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to achieve the above performance appraisal targets, all the Share Options held by the Participants that are exercisable in relevant appraisal year shall not be exercised and shall be cancelled by the Company.

If exercise conditions are not satisfied in any Exercise Period within the Validity Period of this incentive scheme, such portion of the exercisable Share Options in the current period cannot be deferred to the next year and will be cancelled by the Company.

(4) Performance appraisal at individual level

The annual performance appraisal results of the Participants are classified into five grades, i.e., A, B, C, D and E. The exercisable proportion (N) at individual level is determined based on the appraisal results set out in the table below:

Annual performance evaluation results	A	B	C	D	E
Exercise proportion at individual level (N)	100%	100%	80%	0%	

Actual exercisable proportion of individual Participants for the year = actual exercisable proportion for the current period \times exercisable proportion at company level (X) \times exercise proportion at individual level (N).

Share Options of Participants not exercisable in the appraisal year shall be cancelled by the Company.

3. *Scientificity and reasonableness of the appraisal indicators*

The appraisal indicators of the Share Option Incentive Scheme are in line with the basic requirements of laws and regulations as well as the Company's Articles of Association. The appraisal indicators of the Company are categorised into two levels, i.e. performance appraisal at company level and performance appraisal at individual level.

The performance appraisal indicators of this incentive scheme at company level under this scheme are sales volume and net profit. The sales volume is our core strategic indicator, which is designed to support the realization of the sale target; the net profit is the ultimate manifestation of the Company's profitability and corporate growth, and the increasing net profit is the basis for the survival of the enterprise and the condition for its development. The

LETTER FROM THE BOARD

Company predicts that market competition will further intensify in the next three years against the backdrop of the development of the automobile industry's stock market. The Company will firmly pursue quality market share growth, adhere to long-term sustainable and high-quality development, and focus on deepening resources to new energy, intelligence and globalization. In terms of technology research and development, the Company will accelerate technology iteration and innovation and increase research and development investment in the fields of intelligence and new energy for improving product competitiveness and achieving category innovation. In terms of brands and channels, the Company will accelerate the construction of new marketing and channel capabilities under the Internet model, and increase investment in brand-building and channel upgrading. Meanwhile, the Company will deepen the construction of a new pattern of enterprise growth driven by both technology and brand.

In order to further increase the Company's attractiveness to talents in the industry, facilitate the construction of the Company's core team, fully mobilize the initiative and creativity of the Company's core staff, enhance the Company's competitiveness, ensure that the Company maintains sustained and stable growth, achieve the Company's future development strategy and business goals, and bring more efficient and sustainable returns to Shareholders, after comprehensively considering the current macroeconomic environment, the Company's historical performance, the industry development status, and the Company's future development plans and other relevant factors, the Company, making reasonable prediction and taking into account the incentive effect of this scheme, has set the above-mentioned performance appraisal targets for this scheme and established a corresponding appraisal model with stage-by-stage exercise, which achieves the dynamic adjustment of the equity exercise ratio against the performance growth level, reflecting the higher growth and profitability requirements while ensuring the expected incentive effect. Therefore, the indicator setting is reasonable and scientific. For the Participants, the performance targets are clear and challenging.

In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which evaluates the performance of Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the Exercise Conditions based on their performance appraisal results for the previous year.

Given the above, the appraisal system for this incentive scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of this incentive scheme.

LETTER FROM THE BOARD

VIII. Methods and Procedures for Adjustment of the Share Option Incentive Scheme

1. *Methods of adjusting the number of Share Options*

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company during the period starting from the date of the announcement of this incentive scheme to the completion of the exercise of Share Options by Participants, the number of Share Options shall be adjusted accordingly. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and sub-division of share capital

$$Q=Q0\times(1+n)$$

Where: Q0 represents the number of Share Options before the adjustment; n represents the ratio of increase per share resulting from capitalization issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and sub-division of the share capital); Q represents the adjusted number of Share Options.

(2) Rights issue

$$Q=Q0\times P1\times(1+n)\div(P1+P2\times n)$$

Where: Q0 represents the number of Share Options before the adjustment; P1 represents the closing price as at the record date; P2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Share Options.

(3) Share consolidation

$$Q=Q0\times n$$

Where: Q0 represents the number of Share Options before the adjustment; n represents the ratio of consolidation of shares (i.e. one Share shall be consolidated into n shares); Q represents the adjusted number of Share Options.

(4) Dividend distribution and additional issues

Under the above circumstances, no adjustment will be made on the number of the Share Options.

LETTER FROM THE BOARD

2. *Method of adjusting the Exercise Price of the Share Options*

In the event that any issue of shares by capitalisation issue, bonus issue, sub-division, rights issue or consolidation of shares or dividend distribution has been made by the Company during the period starting from the date of the announcement of this incentive scheme to the completion date of the registration of the Shares issued upon the exercise of Share Options by Participants, an adjustment to the Exercise Price of Share Options shall be made by the Company accordingly. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and sub-division of shares

$$P=P0\div(1+n)$$

Where: P0 represents the Exercise Price before the adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and subdivision of shares; P represents the adjusted Exercise Price.

(2) Rights issue

$$P=P0\times(P1+P2\times n)\div[P1\times(1+n)]$$

Where: P0 represents the Exercise Price before the adjustment; P1 represents the closing price as at the record date; P2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Exercise Price.

(3) Share consolidation

$$P=P0\div n$$

Where: P0 represents the Exercise Price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Exercise Price.

(4) Dividend distribution

$$P=P0-V$$

Where: P0 represents the Exercise Price before the adjustment; V represents the dividend per share; P represents the adjusted Exercise Price. P shall be greater than 1 after the dividend distribution.

LETTER FROM THE BOARD

(5) Additional issue

Under the circumstance of additional issue of new shares, no adjustment will be made on the Exercise Price of the Share Options.

3. *Adjustment procedures for this incentive scheme of Share Options*

The general meeting of the Company shall authorize the Board to adjust the number or the Exercise Price of Share Options for the above reasons. After the Board adjusts the Exercise Price or the number of Share Options according to the above provisions, it shall promptly make announcement and notify the Participants in accordance with the relevant provisions, and perform the information disclosure procedures. The Company will comply with Rule 17.03(13) of the Hong Kong Listing Rules when conducting such adjustment, and will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and this incentive scheme.

If, for other reasons, it is necessary to adjust the number, the Exercise Price or other terms of Share Options, the Company will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and this incentive scheme, which shall be subject to consideration and approval of the general meeting.

IX. Accounting Treatment of Share Options

In accordance with the requirements of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Company shall measure and account for the cost of the Share Option Incentive Scheme of the Company:

1. *Accounting treatment*

(1) On the Grant Date

No accounting treatment will be made by the Company to the Share Options on the Grant Date. The Company will use the “Black-Scholes” option pricing model to determine the fair value of the Share Options on the Grant Date.

(2) Vesting Period

The Company includes the services provided by the staff for current period in costs or expense of assets on each balance sheet date during the Vesting Period based on the best estimate of the number of exercisable Share Options and the fair value of the Share Options on the Grant Date and recognise in “Capital reserve – other capital reserve”.

LETTER FROM THE BOARD

(3) *Subsequent to Exercisable Date*

No adjustment shall be made to the relevant costs or expense, and the total amount of the owner's equities, which have been recognized.

(4) *On the Exercisable Date*

Based on the exercise of the Share Options, share capital and share premium shall be recognised and the "Capital reserve-other capital reserve" recognized during the Vesting Period shall be transferred to "Capital reserve-capital premium".

2. *Estimate of value of the Share Options*

Assuming the grant of Share Options takes place in January 2024, the Company uses the "Black-Scholes" model to measure the fair value of the Share Options and estimate the fair value of 77,500,000 Share Options granted by the Company using such model on 12 December 2023, the specific parameters are as follows:

- a) Price of Underlying Shares: RMB26.88 per share (assuming the closing price of shares on 12 December 2023 is the current price of shares as at the Grant Date);
- b) Exercise Price of the Share Options: RMB27.22 per share;
- c) Validity Period: 2 years, 3 years and 4 years, adopting the period from the grant date to the last trading day of each exercise period, respectively;
- d) Historical volatility: 27.67%, 29.33% and 31.03%, respectively (the volatility of the Wind automobile manufacturing industry index for the latest two, three and four years);
- e) Risk-free rate: 2.44%, 2.46% and 2.50%, respectively (the yield of PRC treasury bond for two, three and four years);
- f) Dividend yield: 1.11% (the dividend yield of the Company for the latest 12 months before the announcement of the Share Option Incentive Scheme).

Note: The calculation results of the value of the Share Options are subject to the selection of option pricing model and a number of assumptions of the parameters used herein. Therefore, the estimated value of the Share Options may be subjective and uncertain.

LETTER FROM THE BOARD

3. *Impact on the operating performance of the Company*

Based on the measurement above, the total cost of 77,500,000 Share Options granted is RMB424,415,500 and details of amortization are set out below:

Currency: RMB Unit: 0'000

Number of the grant of Share Options (0'000)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
7,750.00	42,441.55	18,690.11	14,555.75	7,423.69	1,772.01

The cost of the Share Options granted under this incentive scheme will be estimated under the “Black-Scholes” model after the Board determines the Grant Date. Such cost estimate is only simulating estimate and does not represent final accounting cost, and the final result will be subject to the annual audit report issued by the accounting firm.

X. **Implementation Procedures of the Share Incentive Scheme**

1. *Procedures for the Share Option Incentive Scheme to Take Effect*

- (1) The Remuneration Committee is responsible for preparing the draft of the Share Option Incentive Scheme, Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited.
- (2) The Board shall consider the draft of this incentive scheme, Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited prepared by the Remuneration Committee. When the Board considers this incentive scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting. After the Board reviewed and approved this incentive scheme and performed the announcement procedure, it should propose this incentive scheme to the general meeting for review and approval; at the same time, it shall propose to the general meeting to authorize and execute the grant, exercise and cancellation of the Share Options.
- (3) The Supervisory Committee shall issue opinions in respect of whether this scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and Shareholders as a whole.

LETTER FROM THE BOARD

- (4) The Company shall, within two trading days after the draft of this incentive scheme is considered and passed by the Board, publish an announcement of the Board resolution, announcing the draft and a summary of this incentive scheme and opinion of the Supervisory Committee.
- (5) The Company should carry out self-investigation on the trading of shares of the Company by insiders during the 6 months' period prior to the announcement of this incentive scheme. Those who trade in the Shares of the Company while possessing inside information (except where laws, administrative regulations and relevant judicial interpretations deem not to be insider transaction) may not become Participants. Those who leak inside information which causes insider transaction to take place may not become Participants.
- (6) The Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days. The Supervisory Committee shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before the Share Option Incentive Scheme is considered at a general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
- (7) When the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company are convened to vote on the Share Option Incentive Scheme, the Independent Directors shall solicit proxy voting rights from all Shareholders regarding the Share Option Incentive Scheme. At the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, it is required to vote on the content of the Share Incentive Scheme under Article 9 of the Management Measures, and this incentive scheme shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting. Except for the Directors, Supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the Company's Shares, the voting by other Shareholders shall be separately counted and disclosed.

When the Share Incentive Scheme is considered at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, Shareholders who are Participants or Shareholders who have a related relationship with the Participants shall abstain from voting thereon.

LETTER FROM THE BOARD

- (8) The Company shall disclose the announcement on the resolutions of the general meeting, the Share Incentive Scheme as considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and the self-examination report and legal opinions of the general meeting on the inside information insiders' trading of the Shares of the Company.
- (9) After this incentive scheme has been considered and approved at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Board of the Company shall, according to the delegation of the general meeting, grant entitlements and complete the registration and announcement procedures within 60 days from the date of consideration and approval of this incentive scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board shall handle the grant, exercise and cancellation of the Share Options and other matters according to the delegation of the general meeting.

2. *Procedures for Grant of Share Options*

- (1) Upon consideration and approval of this incentive scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Company shall sign an Agreement on Grant of Share Options in 2023 with the Participants in order to define their respective rights and obligations. If a Participant fails to sign an Agreement on Grant of Share Options in 2023, he/she shall be deemed to have automatically abandoned his/her rights and obligations.
- (2) The Board shall consider and announce whether the conditions stipulated under the Share Incentive Scheme for the Participant to receive entitlements have been satisfied before the Company grants such entitlements to such Participants. The Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the Participants to receive such entitlements are fulfilled or not.
- (3) The Supervisory Committee of the Company shall verify the list of Participants on the Grant Date of the Share Options and issue their views on such verification.
- (4) If there is any discrepancy between the grant of entitlements to the Participants and the arrangement of the Share Incentive Scheme, the Remuneration Committee, the Supervisory Committee (where there is a change of the Participants), the law firm and the independent financial adviser, if necessary, shall all express their views explicitly.
- (5) The Company shall make a grant to the Participants and complete the announcement and registration procedures within 60 days (excluding the period during which no grant of entitlements is allowed pursuant to the requirements under laws and regulations) after the Share Incentive Scheme is considered and approved at the

LETTER FROM THE BOARD

general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board of the Company shall disclose the implementation thereof timely by way of announcement after completion of the registration of the grant. In the event the Company fails to complete the procedures mentioned above within such 60 days, this scheme shall be terminated, and the Board shall disclose the reason for such failure timely and shall not be allowed to consider the Share Incentive Scheme within the following three months.

- (6) The Company shall make an application to the stock exchange first before any entitlements are granted, and the securities registration and clearing institution will conduct registration procedure thereof upon confirmation by such stock exchange.
- (7) The granting procedures for the reserved interests of the Company shall be executed with reference to the procedures for the first grant. The Participants of the reserved interests shall be determined within 12 months after this scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. If the Participants are not determined within 12 months, the reserved interests shall lapse.

3. *Procedures for Exercise of the Share Options*

- (1) The Company shall confirm whether Participants satisfy the Exercise Conditions before the date of exercise. The Board shall consider and review whether the Exercise Conditions as set out in the Share Option Incentive Scheme have been satisfied. The Remuneration Committee and the Supervisor committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the exercise of Share Options by the Participants are fulfilled or not. For the Participants who satisfy the Exercise Conditions, the Company may provide a unified or autonomous method of exercise to the Participants according to the actual situation, and for the Participants who fail to satisfy the Exercise Conditions, the Company shall cancel their Share Options corresponding to the respective exercise. The Company shall disclose the implementation thereof timely by way of announcement.
- (2) A Participant may transfer the shares of the Company obtained pursuant to the exercise of Share Options, but the transfer of shares held by the Directors and senior management of the Company shall be in compliance with the requirements of relevant laws, regulations and regulatory documents.
- (3) The Company shall make an application to the stock exchange first before any share option is exercised, and the securities registration and clearing institution will conduct registration procedure thereof upon confirmation by such stock exchange.

LETTER FROM THE BOARD

- (4) If the registered capital is designed to change upon the exercise of Share Options by the Participants, the Company shall handle the registration procedures in relation to the changes of the Company with the industry and commerce registration department.

4. Procedures for Amendment of the Share Option Incentive Scheme

- (1) If the Company intends to amend the Share Option Incentive Scheme before it is considered at the general meeting, such amendment shall be considered and approved by the Board.
- (2) If the Company intends to amend the Share Option Incentive Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
 - 1. exercise of the Share Options ahead of schedule;
 - 2. reducing the Exercise Price.
- (3) The Supervisory Committee of the Company shall give opinions as to whether the amendments are conducive to the sustainable development of the Company or are significantly detrimental to the interests of the Company and the Shareholders as a whole. A law firm shall issue professional opinions as to whether the amendments to this scheme are in compliance with the requirements of the Management Measures and relevant laws and regulations or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

5. Procedures for Termination of the Share Option Incentive Scheme

- ① If the Company intends to terminate the implementation of the Share Option Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
- ② If the Company intends to terminate the implementation of the Share Option Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at general meeting. If the Company's general meeting or the Board meeting considers and approves the resolution to terminate the implementation of the Share Incentive Scheme, it shall not be allowed to review Share Option Incentive Scheme in the following 3 months from the date of the announcement of the resolution.

LETTER FROM THE BOARD

- ③ A law firm shall issue professional opinions as to whether the termination of the Share Option Incentive Scheme by the listed company is in compliance with the requirements of the Management Measures and relevant laws and regulations or is significantly detrimental to the interests of the listed company and the Shareholders as a whole.
- ④ Where the Share Option Incentive Scheme is terminated, the Company shall timely apply to the China Securities Depository and Clearing Corporation Limited for the cancellation of the granted Share Options after performing relevant consideration procedures.

XI. Respective Rights and Obligations of the Company/Participants

1. Rights and Obligations of the Company

- (1) The Company shall have the right to construe and execute the Share Option Incentive Scheme and shall appraise the performance of the Participants based on the requirements under the Share Option Incentive Scheme. If a Participant fails to fulfill the Exercise Conditions required under the Share Option Incentive Scheme, the Company will cancel the Share Options which have been granted to but not yet exercised by the Participants in accordance with the principles under the Share Option Incentive Scheme.
- (2) The Company undertakes not to provide loans and financial support in any other forms, including providing guarantee for loans, to the Participants for acquiring the Share Options under the Share Option Incentive Scheme.
- (3) The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Share Option Incentive Scheme in accordance with the relevant requirements.
- (4) The Company shall actively support the Participants who have fulfilled the Exercise Conditions to handle matters related to the exercise of the Share Options in accordance with the relevant requirements including those of the Share Option Incentive Scheme, the CSRC, the Stock Exchange, China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Participants who fail to exercise the Share Options at their own will due to reasons caused by the CSRC, the stock exchange and China Securities Depository and Clearing Corporation Limited.
- (5) The Company confirms that the eligibility of the Participants under the Share Option Incentive Scheme does not represent the right of such Participants to continue to serve the Company and does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Participants is still governed by the employment contract between the parties.

LETTER FROM THE BOARD

- (6) Other relevant rights and obligations under the laws, regulations and regulatory documents.

2. *Rights and Obligations of the Participants*

- (1) A Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company.
- (2) Source of funds shall be self-financed by the Participants.
- (3) The Share Options granted to the Participants shall not be transferred or used as guarantee or for repayment of debts.
- (4) Any gains of the Participants generated from the Share Option Incentive Scheme are subject to individual income tax and other taxes under relevant requirements of laws and regulations of the state.
- (5) The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Share Option Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
- (6) Upon consideration and approval of the Share Option Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will sign an Agreement on Grant of the Share Options in 2023 with each Participant in order to define their respective rights and obligations under this incentive scheme and other relevant matters.
- (7) Other relevant rights and obligations under the laws, regulations and the Share Option Incentive Scheme.

The Share Options granted to the Participants are not entitled with voting rights, decision-making rights and rights arising on the liquidation of the Company and the holders of Share Options will not involve in the distribution of bonus shares and dividends before these Share Options being exercised. The Shares allotted upon exercise of the Share Options shall comply with all the articles of the Articles of Association of the Company, and shall be entitled to equal voting right, dividend right, transfer right, liquidation related rights, and other rights in all respects pro rata.

LETTER FROM THE BOARD

XII. Handling Unusual Changes to the Company/Participants

1. *Handling Unusual Changes to the Company*

- (1) This scheme shall be terminated if any of the following events occurs to the Company:
 - ① change in control of the Company;
 - ② merger and spin-off of the Company.
- (2) The Share Option Incentive Scheme shall be terminated immediately if any of the following events occurs to the Company, and the Share Options which have been granted to the Participants but not yet exercised shall not be exercised and shall be cancelled by the Company:
 - ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations;
 - ⑤ other circumstances under which this incentive scheme shall be terminated as determined by the China Securities Regulatory Commission.
- (3) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in noncompliance with grant conditions or exercise arrangements of the Share Options, all the Share Options that have not been granted shall not be granted. The Share Options which have been granted by not yet exercised shall be cancelled by the Company uniformly. In respect of the Share Options granted to Participants and already exercised by the Participants, the Participants concerned shall return to the Company all interests granted.

LETTER FROM THE BOARD

The Board shall recover the gain received by the Participants in accordance with the aforesaid provisions and the relevant arrangements under the Share Option Incentive Scheme.

- (4) In the event of any political and policy risks, serious natural calamities and other force majeure during the Vesting Period and Exercise Period of the Share Option Incentive Scheme, the occurrence of which is beyond the control of the Company's management, the Board may terminate the Share Option Incentive Scheme.

2. *Handling Unusual Changes to the Participants*

- (1) If the Participants are demoted but still meet the incentive conditions after demotion, the Share Options that may be exercised shall be also re-determined accordingly, and the Share Options so reduced shall be cancelled.

If the Participants are demoted and no longer meet the incentive conditions as stipulated in this scheme after demotion, the Share Options that are exercisable shall be exercisable in a normal manner, and the Share Options that have been granted but not yet exercisable shall be cancelled by the Company.

- (2) If any of the following circumstances occurs to a Participant, his/her Share Options that have been granted shall be handled in accordance with the procedures under the Share Option Incentive Scheme, and the performance appraisal at individual level will no longer be included in the Exercise Conditions:

A. civil incapacity arising out of work;

B. death arising out of work;

- (3) Retirement of Participants

A. Where Participants leave the Company due to retirement, their Share Options for which the exercisable conditions have been met shall be handled as per the procedures under the Share Option Incentive Scheme prior to the retirement. Share Options of the Participants granted but for which the exercisable conditions have not been met shall not be exercised and shall be canceled by the Company.

B. If the Participants are re-employed after retirement, Share Options granted to them shall be handled fully according to the procedures specified in the Share Option Incentive Scheme before their retirement.

LETTER FROM THE BOARD

- (4) If any of the following circumstances occurs, the Share Options which have been granted but not yet exercised shall be cancelled by the Company:
- A. When the labor contract of a Participant is terminated or dismissed by the Company due to reasons other than the above Paragraph (2) and Paragraph (3);
 - B. When a Participant holds position in a wholly-owned or controlled subsidiary of Great Wall Motor Company Limited, if Great Wall Motor Company Limited loses control of the subsidiary and the Participant still work in the subsidiary;
 - C. When a Participant is not within the scope of the units and positions covered by this incentive scheme due to the transfer of position;
 - D. When a Participant serves as a Supervisor or an Independent Director or holds other position prohibited from holding the Company's Share Options due to redesignation.
- (5) Where a Participant's labor relationship with the Company is terminated by the Company due to violation of laws and regulations or violation of the Company's anti-bribery management system during his/her term of office, the Company shall cancel the Share Options granted but not exercised and the Company may require the Participant to return the proceeds from the exercised Share Options.
- (6) Where a Participant after his/her termination of office causes serious loss to the Company due to violation of competition restrictions, violating the Company's anti-bribery management system or major work problems identified after his/her termination of office, the Company shall have the right to require the Participant to return all the proceeds obtained under the Share Option Incentive Scheme.
- (7) In the implementation process of the Share Option Incentive Scheme, if a Participant is prohibited from being the Participant due to the circumstances as stipulated in Article 8 of the Management Measures, the Company shall not continue to grant him/her the rights and interests, and the Share Options that have been granted but not yet exercised shall not be exercised.
- (8) Other circumstances not stated above and the handling method thereof shall be determined by the Remuneration Committee.

The abovementioned clawback arrangements are considered through comprehensive research and are beneficial to the long-term development of the Company and therefore in line with the purpose of this scheme.

LETTER FROM THE BOARD

3. *Resolution of Disputes between the Company and the Participants*

Any dispute arising out of the implementation of the Share Option Incentive Scheme and/or the share incentive agreement signed by the Company and the Participants or any dispute in relation to the Share Option Incentive Scheme and/or the share incentive agreement shall be settled by negotiation and communication between the parties or through mediation conducted by the Remuneration Committee of the Board of the Company. If relevant disputes fail to be settled through the abovementioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people's court with jurisdiction in the place where the Company is located.

Implications under the Hong Kong Listing Rules

The 2023 Share Option Incentive Scheme involves the issue of new A Shares by the Company and is subject to the announcement and shareholders' approval requirements under Rules 17.02 to 17.11 of Chapter 17 of the Listing Rules. Connected persons of the Company under Chapter 14A of the Listing Rules who are also the Participants of the Share Option Incentive Scheme are the general manager of the Company's subsidiary and the core technical or business staff of the Company. The aggregated number of Share Options to be granted to such connected persons is 781,000, representing 0.01% of the total Shares of the Company in issue as at the Latest Practicable Date. Pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of Restricted Shares and Share Options to the connected persons under the 2023 Share Option Incentive Scheme is fully exempt from shareholders' approval, annual review and all disclosure requirements.

Rule 17.03E of the Hong Kong Listing Rules requires that the exercise price of relevant share options must be at least the higher of (i) the closing price of the securities on the date of grant of the options; and (ii) the average closing price of the securities for the five business days immediately preceding the date of grant of the options.

Pursuant to Rule 19A.39C of the Hong Kong Listing Rules, the Stock Exchange may waive the requirement under the Rule 17.03E of the Hong Kong Listing Rules for a share option scheme of a PRC issuer dually listed on the Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

The Company has applied for, and the Stock Exchange has granted a waiver from strict compliance with the Rule 17.03E of the Hong Kong Listing Rules in respect of the Exercise Price of the Share Options on the basis that, among other things, (i) the Shares to be issued upon the exercise of the Share Options are A Shares traded on the Shanghai Stock Exchange and the basis of determination of the Exercise Price of the Share Options is required by and in accordance with the relevant laws and regulations in the PRC; (ii) the mechanism and provisions in respect of the exercise price of the Share Options under the Share Option Scheme

LETTER FROM THE BOARD

is able to ensure that the relevant exercise price is no less than the prevailing market price of the Company's A Shares at the time of the grant of share options; (iii) the proposed adoption of the A Share Option Incentive Scheme will be subject to the approval of the Shareholders at the general meeting and class meetings, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Share Option Incentive Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; (iv) the Company confirms that, save for the determination and the possible adjustment of the Exercise Price (in the event of dividend distribution), all other provisions of the Share Option Incentive Scheme meet the requirements of Chapter 17 of the Hong Kong Listing Rules; and (v) the principal terms of the Share Option Scheme and the determination of the Exercise Price are and will be set out in the Announcement and this circular, which would provide potential investors with sufficient information to make a relevant informed assessment of our Company in their investment decision making process, and the details of any subsequent grant of the Share Options, the exercise price and other principal terms will be disclosed by way of announcements.

Pursuant to the Share Option Scheme, in the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company during the period from the announcement date of the Incentive Scheme to the completion date of the registration of the Shares issued upon the exercise of Share Options under the first grant or registration of the Shares issued upon the exercise of Share Options under the reserved grant by the Participants, the Exercise Price of Share Options will be adjusted accordingly.

Rule 17.03(13) of the Hong Kong Listing Rules requires that the scheme document must include a provision for adjustment to the exercise price or the number of securities subject to options already granted and to the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Hong Kong Listing Rules states that any adjustments required under Rule 17.03(13) must give a participant the same proportion of the equity capital as that to which that person was previously entitled.

The Stock Exchange issued a letter to issuers on 5 September 2005 to clarify the interpretation of Rule 17.03(13). It was stated in the letter that:

- (I) Rule 17.03(13) permit restricted adjustments to be made to the exercise price of share options in the event of certain corporate activities.
- (II) The overriding principle is that no adjustment to the exercise price of number of shares should be to the advantage of scheme participants without specific prior shareholders' approval. The adjustment should have a neutral impact or worse from the perspective of the scheme participants. Another way of looking at this is that no adjustments should be made that would increase the aggregate intrinsic value of the outstanding options. The intrinsic value is the difference between the market price (or theoretical ex-entitlement price) of shares under option and the exercise price (or revised exercise price) of the option.

LETTER FROM THE BOARD

- (III) Examples of permitted adjustments include capitalisation or bonus issue, rights issue, open offer, share sub-division and share consolidation.

The Company has applied for, and the Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 17.03(13) of the Listing Rules so as to enable the adjustments to the exercise price of the Options granted under the Share Option Scheme in the event of dividend distribution on the basis that, among other things, (i) the Company is a PRC issuer, the Share Option Scheme involve issue of A Shares only and the Share Option Scheme must comply with PRC law; (ii) as advised by the Company's PRC legal advisors, adjustments to the exercise price of the Options granted under the Share Option Scheme in the event of dividend distribution are required by the currently effective PRC law (i.e. Article 48 of the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》); (iii) the proposed adoption of the Share Option Incentive Scheme will be subject to the approval of the Shareholders at the Shareholders' Meetings, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Share Option Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; and (iv) adjustments to the exercise price of the Options granted under the Share Option Scheme in the event of dividend distribution will not adversely affect interest of shareholders of the Company.

The full text of 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) is set out in the Appendix II to this circular. All the terms of the 2023 Share Option Incentive Scheme shall be approved by Shareholders at the general meeting and Class Meetings of the Company. As the spouse of Ms. Li Hong Shuan is a participant of the 2023 Share Option Incentive Scheme, Ms. Li Hong Shuan and her spouse will abstain from voting on the relevant resolutions related to the 2023 Share Option Incentive Scheme at the EGM.

4. PROPOSED ADOPTION OF THE 2023 SECOND ESOP

Reference is made to the announcement of the Company dated 12 December 2023, in which the Board considered and approved the relevant resolution in relation to proposed adoption of the 2023 Second ESOP. The ESOP will become effective upon consideration and approval of the general meeting of the Company. Before the general meeting is held for approval of the ESOP, the Company may amend the ESOP upon the request of the regulatory authorities of the PRC and/or Hong Kong.

LETTER FROM THE BOARD

The principal terms of the ESOP are set out as follows:

1. 2023 SECOND A SHARE ESOP

1.1 Purposes of the ESOP

- (I) To further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, and ensure the Company's long-term, stable and healthy developments;
- (II) To improve mechanisms for sharing benefits between workers and owners, align the long-term interests of the Company, Shareholders, and employees, and promote the Company's long-term and sustainable development, so as to bring returns to Shareholders;
- (III) To attract and to retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company.

1.2 Basic principles followed by the ESOP

(I) The principle of compliance with laws and regulations

When implementing the ESOP, the Company shall strictly follow the procedures prescribed by laws and administrative regulations, and carry out information disclosure in a true, accurate, complete and timely manner. No one shall use the ESOP to commit securities fraud such as insider trading, manipulation of the securities market, etc.

(II) The principle of voluntary participation

The Company's implementation of the ESOP shall follow the principles of legal compliance, voluntary participation and self-bearing of risks, and there is no forced participation of employees by way of apportionment, mandatory distribution, etc.

(III) Risk self-bearing principle

Participants of the ESOP shall be responsible for their own profits and losses, bear their own risks and enjoy equal rights and interests as other investors.

LETTER FROM THE BOARD

1.3 Participants and Determination Criteria

I. Legal Basis for Determining Participants

The Participants of this ESOP are determined by the Company in accordance with the provisions of the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

II. Determination of the Scope of Participants

Participants under the ESOP shall be either:

- (1) Directors (excluding independent Directors), Supervisors and senior management of the Company;
- (2) core management and key employees.

All participants must enter into labor contracts or employment contracts with the Company or its subsidiaries during the term of the ESOP.

Qualified employees' participation in the ESOP complies with the principles of lawfulness, voluntary participation and self-bearing of risk. There is no apportionment, forced distribution or other circumstances in which employees are forced to participate in the ESOP. The Company will decide the short list of Participants from qualified employees.

III. Verification of Participants

The Supervisory Committee of the Company shall verify the list of Participants and state the verification results at the general meeting. The lawyers engaged by the Company shall issue their legal opinions on whether the qualifications and other conditions of the Participants comply with the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, administrative regulations, rules, normative documents and the Articles of Association as well as the ESOP.

IV. Allocation under the ESOP

The total number of Participants of the ESOP is 31, among which 4 are Directors (excluding independent Directors), Supervisors and senior management of the Company, and 27 are other employees in aggregate.

The ESOP is held in units, with 1 unit for 1 share. The number of Underlying Shares under the ESOP will be no more than 5,248,643 shares.

LETTER FROM THE BOARD

The Participants of the ESOP and the allocation of shares are as follows:

No.	Participants	Shares to be allocated (shares)	Proposed proportion to the total ESOP shares
1	Mu Feng (general manager), Zhao Guo Qing (vice chairman, deputy general manager), Li Hong Shuan (executive Director, chief financial officer, the secretary to the Board) and Lu Cai Juan (Chairman of the Supervisory Committee)	1,520,000	28.9599%
2	27 core management and key employees	3,728,643	71.0401%
Total (31 Participants)		5,248,643	100%

Note: The final number of Participants, list and allocation results under the ESOP shall be subject to the actual subscription.

As Participants of the ESOP, Mr. Zhao Guo Qing and Ms. Li Hong Shuan have abstained from voting on the relevant Board resolutions to approve the ESOP, Ms. Lu Cai Juan, an Supervisor, has abstained from voting on the relevant resolution of the Supervisory Committee to approve the ESOP. To avoid any possible conflict of interest, Mr. Zhao Guo Qing, Ms. Li Hong Shuan and Ms. Lu Cai Juan will abstain from voting on all future resolutions related to the second ESOP.

Upon the implementation of the ESOP, the total number of all valid shares held under the ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual Participant shall not exceed 1% of the total share capital of the Company in aggregate. The total number of the shares held under the ESOP does not include the shares acquired by employees prior to the initial public offering for listing, the shares purchased by Participants on secondary market, and the shares acquired by Participants through equity incentives. No Shareholders holding more than 5% of the Company's shares or de facto controller participate in the ESOP.

If the Participants fail to pay the subscription funds on time and in full, they shall be deemed to automatically waive the subscription rights of the corresponding shares. The Board may: (1) adjust the scale of the ESOP and the number of Underlying Shares actually transferred; or (2) not to adjust the scale of the ESOP and grant such portion of equity interest directly to other eligible employees.

LETTER FROM THE BOARD

1.4 Source of Funds, Source and Number of Shares and Transfer Price of the ESOP

I. Source of Funds

The source of funds for the ESOP shall be the legal remuneration of employees, self-raised funds and funds obtained by other means permitted by laws and regulations.

Participants of the ESOP shall pay the subscription funds in full and on time according to the subscription amount, and the payment time of the ESOP shall be arranged by the Company with a unified notice. If the holders fail to pay the subscription funds on time and in full, the corresponding subscription rights shall be automatically forfeited.

II. Source and Number of Shares

(I) Source of Shares

The shares of the ESOP come from the ordinary A shares of Great Wall Motor repurchased in the Company's special securities account for repurchase. After the ESOP is considered and approved by the general meeting, repurchased shares of the Company will be transferred to the ESOP through non-trading transfer and other methods permitted by laws and regulations.

On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the Supervisory Committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 15 July 2022. As of 15 September 2022, the Company had repurchased 12,000,089 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.13% of the Company's total share capital. The highest repurchase price was RMB35.04 per share, the lowest repurchase price was RMB30.22 per share, and the average repurchase price was RMB32.71 per share, with a total amount of funds used of RMB392,565,200 (net of transaction expenses). The repurchase plan has been completed.

On 14 October 2022, the Company held the 51st meeting of the seventh session of the Board and the 44th meeting of the seventh session of the Supervisory Committee of the Company, at which the Plan on Repurchase of A shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 20 million shares

LETTER FROM THE BOARD

(inclusive) and not more than 40 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 16 October 2022. As of 21 February 2023, the Company had repurchased 27,999,954 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.32% of the Company's total share capital. The highest repurchase price was RMB31.00 per share, the lowest repurchase price was RMB27.60 per share, and the average repurchase price was RMB29.35 per share, with a total amount of funds used of RMB821,854,000 (net of transaction expenses). The repurchase plan has been completed.

On 16 June 2023, the Company adopted the 2023 First A Share ESOP. The repurchased A shares of 34,751,400 from the above special securities account for repurchase have been transferred to the 2023 First A Share ESOP of the Company. As of 12 December 2023, the repurchased A shares of 5,248,643 remained in the special securities account for repurchase.

(II) Number of Shares

The number of Underlying Shares under the ESOP shall be no more than 5,248,643 shares, representing 0.0618% of the total share capital of the Company. The final number of Underlying Shares held by the ESOP shall be subject to the actual number of shares transferred, and the Company will fulfill information disclosure obligations according to the requirements of relevant laws and regulations in a timely manner.

During the period from the Price Determination Date to the date when the ESOP is transferred to the Company for share repurchase through non-trading transfer and other methods permitted by laws and regulations, in the event of any ex-right or ex-dividend matters such as capitalisation issue, bonus issue and dividend distribution, the number and price of the Underlying Shares shall be adjusted accordingly. After the draft of the ESOP is approved at the general meeting, the Underlying Shares held in the Company's special account for repurchase will be obtained through non-trading transfer and other means permitted by laws and regulations.

III. Explanation on the Purchase Price, Pricing Basis and the Reasonableness of Price

(I) Purchase Price and Pricing Basis

The ESOP shall transfer the ordinary A Shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price shall be RMB13.61 per share, being 50% of the average trading price of the Company's shares for the 20 trading days prior to the announcement of the draft of the ESOP.

LETTER FROM THE BOARD

The transfer price shall not be lower than the par value of the shares, and shall not be lower than the higher of the following:

1. 50% of the average trading price of the Company's A Shares for the trading day prior to the announcement of the draft of the ESOP, i.e. RMB13.02 per share;
2. 50% of the average trading price of the Company's A Shares for the 20 trading days before the announcement of the draft of the ESOP, i.e. RMB13.61 per share.

In the event of any ex-right or ex-dividend events such as dividends distribution, bonus issue, and capitalisation issue during the period from the Pricing Determination Date to the date of transfer of the Underlying Shares under the ESOP, the aforesaid transfer price will be adjusted accordingly.

(II) Reasonableness of Price

In recent years, the competition in the industry in which the Company operates has been increasingly intense despite new development opportunities being emerging. How to achieve better results in the fierce industry competition depends on the quality and competence of the Company's talents to a large extent. On top of the existing remuneration and incentive system, the Company further improves the long-term incentive mechanism making the interests of employees aligned with and that of Shareholders, which is conducive to fully mobilizing the initiative, enthusiasm and creativity of existing employees, and also attracting high-skilled talents in the industry to join the Company and enhancing its core competitiveness.

The Participants to the ESOP include Directors, Supervisors, senior management, core management and key employees of the Company, all of whom are the key employees in the strategic development and industrial layout of the Company and play a vital role in the overall performance and long-term sustainable and stable development of the Company. With reference to relevant regulations and market practices and taking into consideration the development trend of the industry and the actual operation situation of the Company, the Company determined that the transfer price of the ESOP is RMB13.61 per share.

Targets of the Company's performance appraisal and individual performance appraisal have been set based on the principle of reciprocity between incentive and restraint. The equities will be unlocked in tranches and can only be unlocked if the targets of the Company's performance appraisal and individual performance appraisal have been achieved. The performance appraisal target of the Company is set to be challenging, and the gains of the Participants depend on the achievement of the future performance of the Company, which ensure that the long-term interests

LETTER FROM THE BOARD

of employees and Shareholders are aligned, so that it will bring positive impact on the achievement of the Company's development goals and the rights and interests of all Shareholders, and will not prejudice the interests of the Company and its Shareholders as a whole.

Based on the foregoing, the pricing principle of the ESOP is in line with the actual incentive needs of the Company, which can further stimulate the enthusiasm and potential of the Company's employees, and promote the sustainable and stable development of the Company, thus is considered reasonable and scientific and in line with the basic principle of "assuming sole responsibility for its own profit and loss, self-bearing of risks, and equal rights and interests to other investors".

1.5 Duration, Lock-Up Period, Performance Appraisal and Trading Restrictions

I. Duration

- (I) The term of the ESOP shall be 48 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the Underlying Shares has been transferred to the ESOP.
- (II) The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the Holders holding more than two-thirds (inclusive) of the total units and attending the Holders' Meeting, and as considered and approved by the Board.

II. Lock-up periods

The lock-up period of the ESOP is 12 months commencing from the date when the Company announces the registration of the transfer of the last tranche of the Underlying Shares to the ESOP. The equity of Underlying Shares held shall be unlocked in three tranches. The time point of unlocking is 12 months, 24 months and 36 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the Underlying Shares to the ESOP, and the proportion of the Underlying Shares to be unlocked for each tranche is 40%, 30% and 30%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the Participants.

Regarding the Underlying Shares transferred to the ESOP, the shares derived from the situations including distribution of dividends and the capitalization of capital reserves of the Company etc. shall also be subject to the above-mentioned lock-up arrangements.

LETTER FROM THE BOARD

III. Performance Appraisal of the ESOP

(I) Company-level performance appraisal

The ESOP is based on three accounting years from 2024 to 2026 as the performance appraisal year, and the proportion to be unlocked at the company level is determined according to the completion of the Company's performance targets in each appraisal year. The performance appraisal indicators for each year are shown in the table below:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	\sum (actual value of performance indicator/target value of performance indicator) \times weight of performance indicator	
First unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Third unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

Note: The "net profit" mentioned above refers to the audited net profit attributable to shareholders of the listed company. The "sales volume" mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

Completion rate of performance targets (P)	Unlocking proportion at company level (X)
$P \geq 100\%$	$X = 100\%$
$80\% \leq P < 100\%$	$X = P$
$P < 80\%$	$X = 0$

LETTER FROM THE BOARD

If the company-level performance appraisal indicators meet the unlocking conditions, the equity of Underlying Shares for such unlocking period will be unlocked in proportion accordingly, and the unlocked portion shall be recovered by the Management Committee. If the company-level performance appraisal indicators fail to meet the unlocking conditions, the equity of Underlying Shares for such unlocking period shall not be unlocked, and shall be recovered by the Management Committee. The above-mentioned return price of the locked-up equity is the sum of the original capital contribution amount of the Underlying Shares and the interest of bank deposits for the same period, which will be returned to the holders by the Management Committee after the disposal at an appropriate time. If there are still gains after returning to the holders, the remaining funds will belong to the listed company.

(II) Individual-level performance appraisal

The ESOP will assess unlocking proportion of individual (N) in accordance with the results of the Participant performance appraisal, with details as follows:

Annual performance appraisal results	A	B	C	D	E
Individual-level unlocking proportion (N)	100%	100%	80%	0%	0%

If the company-level performance appraisal meets the unlocking conditions, the actual amount of the Underlying Share equity to be unlocked by the Participants for the period = the amount of Underlying Share equity unlocked by the Participants for the period × the company-level unlocking proportion (X) × the individual-level unlocking proportion (N).

The equity of Underlying Share that cannot be unlocked due to the failure of the individual-level performance appraisal shall be recovered by the Management Committee. The recovery price shall be the sum of the original capital contribution amount of the Underlying Shares corresponding to such share and the interest of bank deposits for the same period, and shall be returned to the holders after disposal at the appropriate time. If there are still gains after returning to the holders, the remaining funds shall belong to the listed company.

LETTER FROM THE BOARD

IV. Trading restrictions of the ESOP

The implementation of ESOP will strictly abide by the market trading rules, and comply with the provisions of the CSRC and the SSE on the prohibition of trading of stocks during the sensitive period of information. No person is permitted to engage in insider trading, market manipulation and other securities fraud through the ESOP. The ESOP shall not deal in the shares of the Company during the following periods:

- (I) the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semiannual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- (II) the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- (III) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with laws;
- (IV) other periods as stipulated by the CSRC, the SSE and the Stock Exchange.

1.6 Management Model

The ESOP shall be managed by the Company itself. The Holders' Meeting is the highest internal management authority of the ESOP. The Holders' Meeting shall establish the Management Committee and authorize the Management Committee as the management body of the ESOP to supervise the daily management of the ESOP and exercise Shareholders' rights on behalf of the Holders. The Board is responsible for drafting and amending the draft of the ESOP and handling other relevant matters of the ESOP within the scope authorized by the general meeting.

1.7 Amendment and Termination of the ESOP and Measures for the Disposal of Holders' Interests

I. Amendment to the ESOP

Any amendment to the ESOP shall be passed by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and be submitted to the Board for consideration and approval.

LETTER FROM THE BOARD

II. Termination of the ESOP

- (I) The ESOP will be automatically terminated if it fails to extend upon expiry;
- (II) If all the assets of the ESOP are monetary assets upon the expiry of the lockup period, the ESOP may be terminated early;
- (III) Subject to the requirements of the policy, the ESOP may be terminated early upon proposal by the Management Committee, the approval by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and the submission to the Board for consideration and approval.

III. Disposal of the Holders' interests

- (I) Within the term of the ESOP, unless otherwise stipulated in laws, administrative regulations, and departmental rules or upon approval of the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposals.
- (II) Within the lock-up period of the ESOP, the Holders shall not request the distribution of rights and interests of the ESOP.
- (III) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the ESOP due to the holding of shares of the Company shall be locked up together. The unlocking period of such shares is the same as the corresponding Underlying Shares.
- (IV) Upon expiration of the lock-up period of the ESOP, the Management Committee shall realize the assets under the ESOP successively and distribute them to the Holders in proportion to their units; or the Management Committee shall apply to the securities depository and clearing institution to transfer the Underlying Shares to the personal account of the Holders according to the proportion of their units pursuant to the requirements of relevant laws and regulations for the Holders to dispose at their own discretion.
- (V) If all Underlying Shares held under the ESOP are sold and the liquidation and distribution of the assets under the ESOP have been completed according to the preceding paragraph, the ESOP shall be terminated immediately upon being approved by the Management Committee and filed with the Board.
- (VI) During the term of the ESOP, cash dividends received by the ESOP for holding the Underlying Shares are included in the assets of the ESOP. The Management Committee has the right to decide whether to allocate cash dividends.

LETTER FROM THE BOARD

(VII) During the term of the ESOP, if cash or other distributable proceeds are obtained from the sale of the Company's shares held by the ESOP, they shall be used in priority to pay the relevant taxes, transaction costs and other expenses incurred by the ESOP.

(VIII) Disposal of interests under the ESOP in special circumstances

(1) During the term of the ESOP, in the event of demotion and removal of any Holder, the Management Committee shall have the right to re-approve the locked units which could be held by such Holder; if the locked units held by the Holder are more than the locked units after reapproval, the Management Committee shall be entitled to recover the surplus units. Such recovered Underlying Shares may be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations; the Holder may continue to enjoy the unlocked share equity under the ESOP held by him/her.

(2) If any Holder is involved in one of the following circumstances within the term of the ESOP, the units under the ESOP held by the Holder shall remain the same, the unlocking procedures shall be conducted as stipulated in the ESOP, and their individual performance appraisal shall not be included in the unlocking conditions:

- 1) where the Holder loses working capacity due to work;
- 2) where the Holder died due to work (his/her legal heirs will inherit and continue to enjoy such share equity and such heirs are not subject to the qualifications to participate in the ESOP).

(3) If the Holder retires within the term of the ESOP:

- 1) if the Holder leaves the Company due to retirement, he/she shall continue to enjoy the rights of the unlocked units; the units granted but unlocked shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations;
- 2) where the Holder is reappointed after his/her retirement, the granted units shall be handled in accordance with the procedures and appraisal conditions as stipulated in the ESOP.

LETTER FROM THE BOARD

- (4) Where the Holder terminates the employment contract with the Company other than due to (2) and (3) above during the term of the ESOP, the Management Committee shall disqualify the Holder from participating in the ESOP and recover all the units held by such Holder (whether unlocked or not). Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.
- (5) During the term of the ESOP, if one of the following circumstances occurs, the Management Committee has the right to disqualify the Holder from participating in the ESOP, and the Holder shall continue to enjoy the rights of the unlocked units; the unlocked units shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.
 - 1) where the Holder ceases to work in Great Wall Motor but still holds a position within the group due to job rotation;
 - 2) Where the Holder holds a position in a wholly-owned or majority-controlled subsidiary of Great Wall Motor, Great Wall Motor loses control over such subsidiary and the Holder still works in such subsidiary;
 - 3) Other circumstances as determined by the Management Committee.
- (6) During the term of the ESOP, in the event of violation of laws, regulations and the Company's anti-bribery management system or negligence or dereliction of duty by the Holder during his/her term, the Management Committee has the right to disqualify the Holder from participating in the ESOP and recover all the units held by such Holder (whether unlocked or not). Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations; where significant economic losses and serious harm are caused to the Company, the Company has the right to investigate the legal liability of the Holder.
- (7) If the Holder violates non-competition restrictions after leaving the Company or is found to be involved in the disclosure of business secrets of the Company, serious violation of laws and regulations, violation of the Company's anti-bribery management system or other negligence or dereliction of duty, causing serious economic losses or damaging the reputation of the Company, the Company shall have the right to request the Holder to return all his/her income from the units under the ESOP and reserve the right to hold such Holder liable for legal responsibilities.

LETTER FROM THE BOARD

- (8) During the term of the ESOP, in the event of other circumstances not expressly agreed in the ESOP or the Management Measures of the Second ESOP of the Company, the disposal of the interests held by the Holder under the ESOP shall be determined by the Management Committee.

Implications under the Hong Kong Listing Rules

The 2023 Second A Share ESOP constitutes a share scheme under Chapter 17 of the Listing Rules and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the ESOP does not involve the issue of new Shares as incentives. Therefore, the ESOP does not constitute a share scheme involving issue of new shares under Chapter 17 of the Listing Rules.

As certain Holders of the ESOP involve the connected persons of the Company, such Holders' participation in the ESOP shall constitute a connected transaction under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempted from shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempted connected transaction, other Holders' participation in the ESOP does not constitute a connected transaction under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules in the event of any reallocation of the ESOP units to any connected person and such allocation constitutes a connected transaction under Chapter 14A of the Listing Rules.

The full text of the 2023 Second ESOP of Great Wall Motor Company Limited (Draft) is set out in the Appendix III to this circular.

Purpose of, Reasons for and Benefits of the Adopting of the 2023 Restricted A Share Incentive Scheme, the 2023 A Share Option Incentive Scheme and the 2023 Second A Share ESOP

The 2023 Restricted A Share Incentive Scheme can further establish and improve the Company's long-term incentive mechanism, attract and retain talented individuals, fully raise the enthusiasm of senior management, mid-level management and core technical (business) backbone staff of the Company, bond the interests of Shareholders, the Company and core individuals together effectively, help various parties to attend to the long-term development of the Company and improve operational efficiency. The Directors of the Company (including Independent Non-executive Directors) believes that the adoption of the Restricted Share Incentive Scheme will help the Company achieve the above objectives, and is also of the view that the terms and conditions of this Incentive Scheme are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The 2023 A Share Option Incentive Scheme can further establish and improve the Company's operating mechanism, establish and improve the incentive and binding mechanism for the Company, senior management, mid-level management and core technical (business) backbone staff of the Company, fully raise their enthusiasm and unite their efforts, bond the interests of Shareholders, the Company and core individuals together effectively, help various parties to attend to the long-term development of the Company and improve operational efficiency. The Directors of the Company (including Independent Non-executive Directors) believes that the adoption of the Share Option Incentive Scheme will help the Company achieve the above objectives, and is also of the view that the terms and conditions of this Incentive Scheme are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The ESOP aims to enhance the cohesion of employees and the competitiveness of the Company. By adopting the ESOP, the Company is able to further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, ensure the Company's long-term, stable and healthy development, improve mechanisms for sharing benefits between workers and owners, achieve the long-term interests of the Company, shareholders, and employees as a whole, and promote various parties to attend to the Company's long-term development, so as to create values for shareholders. Also, the adoption and implementation of the ESOP can help the Company to attract and retain outstanding management talents and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company. The Company considers that the adoption of the ESOP can achieve the above purposes and the terms and conditions of the ESOP are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

As Participants of the ESOP, Mr. Zhao Guo Qing and Ms. Li Hong Shuan have abstained from voting on the relevant Board resolutions to approve the ESOP, Ms. Lu Cai Juan, an Supervisor, has abstained from voting on the relevant resolution of the Supervisory Committee to approve the ESOP. In addition, as the spouse of Ms. Li Hong Shuan is a participant of the 2023 Share Option Incentive Scheme, Ms. Li Hong Shuan also has abstained from voting on the relevant Board resolutions to approve the 2023 Share Option Incentive Scheme. Save as disclosed above, none of the other Directors or Supervisors has or is deemed to have a material interest in the above schemes. In addition, none of the Directors or Supervisors abstained from voting on other resolutions considered at the Board meeting or the Supervisory Committee.

LETTER FROM THE BOARD

5. PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 RESTRICTED SHARE INCENTIVE SCHEME

To ensure the smooth implementation of the 2023 Restricted Share Incentive Scheme, the Appraisal Management Measures are prepared in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, administrative regulations, regulatory documents and the Articles of Association and based on the actual conditions of the Company.

The full text of Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme is set out in Appendix IV to this circular.

6. PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 SHARE OPTION INCENTIVE SCHEME

To ensure the smooth implementation of the 2023 Share Option Incentive Scheme, the Appraisal Management Measures are prepared in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, administrative regulations, regulatory documents and the Articles of Association and based on the actual conditions of the Company.

The full text of Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme is set out in Appendix V to this circular.

7. PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR THE 2023 SECOND ESOP

To standardize the implementation of the ESOP, the Management Measures for the 2023 Second ESOP are prepared in accordance with the requirements of the Company Law, the Securities Law, the Guiding Opinions, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation, relevant laws, administrative regulations, rules, normative documents, the Articles of Association and the 2023 Second ESOP.

The full text of the Management Measures for the 2023 Second ESOP is set out in Appendix VI to this circular.

LETTER FROM THE BOARD

8. PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS IN RELATION TO THE 2023 RESTRICTED A SHARE INCENTIVE SCHEME AND THE 2023 SHARE OPTION INCENTIVE SCHEME AND THE 2023 SECOND ESOP

In order to implement the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme and the 2023 Second ESOP of the Company efficiently, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Management Measures for Share Incentives of Listed Companies, the Hong Kong Listing Rules and other relevant laws and administrative regulations, and the Articles of Association, the Board proposes to the Shareholders' general meeting of the Company to authorize the Board and its authorized persons to handle in full discretion all related matters in connection with the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme and 2023 Second ESOP of the Company. The details of the authorization include but not limited to:

I. The 2023 Restricted Share Incentive Scheme

1. to authorize the Board to determine the Grant Date of the 2023 Restricted Share Incentive Scheme;
2. to authorize the Board to grant Restricted Shares to the Participants upon fulfilment of the conditions of grant by the Company and the Participants, and to handle all matters necessary in relation to the granting of Restricted Shares;
3. to authorize the Board to adjust the number, Grant Price and repurchase price of the Restricted Shares in the event of any distribution of dividends, capitalisation issue, bonus issue, sub-division or consolidation of Shares and rights issue in accordance with the provisions of the 2023 Restricted Share Incentive Scheme;
4. to authorize the Board to dispose of, pursuant to the requirements under the 2023 Restricted Share Incentive Scheme, any Restricted Shares granted to the Participants but not yet unlocked, in the event of any change in control, merger and spin-off or other similar matters of the Company, or the occurrence of any special event in relation to the Participants as stipulated in the Scheme including his/her resignation, transfer, retirement or death; and the Restricted Shares that have been granted to the Participants but not yet unlocked shall be repurchased and cancelled by the Company;
5. to authorize the Board to decide, pursuant to the requirements under the 2023 Restricted Share Incentive Scheme, whether to collect the Participants' income;

LETTER FROM THE BOARD

6. to authorize the Board to adjust and modify the performance indicators and levels based on the Company's strategy, market environment and other relevant factors; to remove or replace the peer benchmark companies if there is any material change to the principal businesses of the relevant peer benchmark companies so that they are no longer comparable to the Company;
7. to authorize the Board to perform other necessary management over the 2023 Restricted Share Incentive Scheme;
8. the Board may authorize the Remuneration Committee under the Board to deal with some matters concerning the Restricted Shares when necessary, and the Board may authorize the Remuneration Committee to be responsible for the assessment of the Participants, and to determine the disposal of their Restricted Shares when special circumstances arise upon the Participants; and the Restricted Shares that have been granted to the Participants but not yet unlocked shall be repurchased and cancelled by the Company;
9. to authorize the Board to review and confirm the unlocking qualifications and conditions of the Participants and to agree with the Board for delegating such rights to the Remuneration Committee;
10. to authorize the Board to determine whether the Participants can be subject to unlocking, and handle the lock-up issue of the Restricted Shares not yet unlocked;
11. to authorize the Board to deal with all matters necessary for the unlocking of the Participants, including but not limited to application to the Shanghai Stock Exchange for the unlocking, application to Shanghai Branch of China Securities Depository and Clearing Corporation Limited for conducting registration and settlement, amending the Articles of Association and handling the business registration for the changes in registered capital of the Company;
12. to authorize the Board to administer and adjust the 2023 Restricted Share Incentive Scheme, and subject to compliance with the terms of the Incentive Scheme, to formulate or modify provisions for the administration, review and implementation of the Scheme from time to time, provided that if such modifications are required by the laws, regulations or relevant regulatory authorities to be subject to the approval of the general meeting or/and relevant regulatory authorities, such modifications made by the Board must obtain the corresponding approvals;
13. to authorize the Board to allocate and adjust the total quotas of the Restricted Shares among the Participants, under established methods and procedures before the Share Options are granted;

LETTER FROM THE BOARD

14. to authorize the Board to make corresponding revisions to the Scheme when relevant amendments are made to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Management Measures for Share Incentives of Listed Companies and other relevant laws and regulations;
15. to authorize the Board and any person authorized by the Board to sign, execute, modify and terminate any agreements relating to the Restricted Share Incentive Scheme;
16. to authorize the Board and any person authorized by the Board to appoint receiving banks, accountants, attorneys and other intermediaries for the implementation of the Restricted Share and Share Option Incentive Scheme;
17. to authorize the Board to implement other matters as required by the 2023 Restricted Share Incentive Scheme, except the rights to be exercised by the general meeting as explicitly required under relevant documents;
18. to propose authorization to the Board at the general meeting of the Company to complete procedures with relevant governments and authorities in relation to the Share Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; and to carry out all other actions necessary, appropriate, or expedient in relation to the Share Incentive Scheme, except the rights to be exercised by the general meeting as explicitly required under relevant documents;
19. to authorize the Board to amend and terminate the 2023 Restricted Share Incentive Scheme;
20. to authorize the Board to deal with the above matters concerning part of Restricted Shares reserved under the 2023 Restricted Share Incentive Scheme, including but not limited to the determination of Grant Date, Participants and Exercise Price and other relevant matters;
21. the term of authorization to the Board by the general meeting shall be the validity period of the 2023 Restricted Share Incentive Scheme.

The abovementioned authorizations can be directly exercised by the Chairman or the appropriate person authorized by the Board on behalf of the Board other than those subject to resolution by the Board as expressly stipulated in laws, administrative regulations, rules of the CSRC, regulatory documents, the 2023 Restricted Share Incentive Scheme or the Articles of Association.

LETTER FROM THE BOARD

II. The 2023 Share Option Incentive Scheme

1. to authorize the Board to determine the Grant Date of Share Option Incentive Scheme;
2. to authorize the Board to grant Share Options to the Participants upon fulfilment of the conditions of grant by the Company and the Participants, and to handle all matters necessary in relation to the granting of Share Options;
3. to authorize the Board to examine and confirm the fulfilment of the exercise conditions by the Company and the Participants, and to handle all matters necessary in relation to the exercise of Share Options by the Participants;
4. to authorize the Board to adjust the number and Exercise Price of Share Options in the event of any distribution of dividends, capitalisation issue, bonus issue, sub-division or consolidation of Shares and rights issue in accordance with the provisions of the 2023 Share Option Incentive Scheme;
5. to authorize the Board to dispose of, pursuant to the requirements under the 2023 Share Option Incentive Scheme, any Share Options granted to the Participants with the right attached exercised or not (including but not limited to cancellation of relevant Share Options), in the event of any change in control, merger and spin-off or other similar matters of the Company, or the occurrence of any special event in relation to the Participants as stipulated in the Scheme including his/her resignation, transfer, retirement or death;
6. to authorize the Board to decide, pursuant to the requirements under the 2023 Share Option Incentive Scheme, whether to collect the Participants' income;
7. to authorize the Board to adjust and modify the performance indicators and levels based on the Company's strategy, market environment and other relevant factors; to remove or replace the peer benchmark companies if there is any material change to the principal businesses of the relevant peer benchmark companies so that they are no longer comparable to the Company;
8. to authorize the Board to perform other necessary management over the 2023 Share Option Incentive Scheme;
9. the Board may authorize the Remuneration Committee under the Board to deal with some matters concerning the Share Options when necessary, and the Board may authorize the Remuneration Committee to be responsible for the assessment of the Participants, and to determine the disposal of their Share Options when special circumstances arise upon the Participants;

LETTER FROM THE BOARD

10. to authorize the Board to review and confirm the Exercise Conditions and exercise qualifications of the Participants and to agree with the Board for delegating such rights to the Remuneration Committee;
11. to authorize the Board to determine whether the Participants can be subject to the Exercise, and handling the issue of freezing the Share Options not yet exercised;
12. to authorize the Board to deal with all matters necessary for the Exercise of the Participants, including but not limited to application to the Shanghai Stock Exchange for the Exercise, application to Shanghai Branch of China Securities Depository and Clearing Corporation Limited for conducting registration and settlement, amending the Articles of Association and handling the business registration for the changes in registered capital of the Company;
13. to authorize the Board to administer and adjust the 2023 Share Option Incentive Scheme, and subject to compliance with the terms of the Incentive Scheme, to formulate or modify provisions for the administration, review and implementation of the Scheme from time to time, provided that if such modifications are required by the laws, regulations or relevant regulatory authorities to be subject to the approval of the general meeting or/and relevant regulatory authorities, such modifications made by the Board must obtain the corresponding approvals;
14. to authorize the Board to allocate and adjust the total quotas of the Share Options among the Participants, under established methods and procedures before the Share Options are granted;
15. to authorize the Board to make corresponding revisions to the Incentive Scheme when relevant amendments are made to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Management Measures for Share Incentives of Listed Companies and other relevant laws and regulations;
16. to authorize the Board and any person authorized by the Board to sign, execute, modify and terminate any agreements relating to the Restricted Share and Share Option Incentive Scheme;
17. to authorize the Board and any person authorized by the Board to appoint receiving banks, accountants, attorneys and other intermediaries for the implementation of the 2023 Share Option Incentive Scheme;
18. to authorize the Board to implement other matters as required by the 2023 Share Option Incentive Scheme, except the rights to be exercised by the general meeting as explicitly required under relevant documents;

LETTER FROM THE BOARD

19. to propose authorization to the Board at the general meeting of the Company to complete procedures with relevant governments and authorities in relation to the 2023 Share Option Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; and to carry out all other actions necessary, appropriate, or expedient in relation to the 2023 Share Option Incentive Scheme, except the rights to be exercised by the general meeting as explicitly required under relevant documents;
20. to authorize the Board to amend and terminate the 2023 Share Option Incentive Scheme;
21. to authorize the Board to deal with the above matters concerning part of Share Options reserved under the Incentive Scheme, including but not limited to the determination of Grant Date, Participants and Exercise Price and other relevant matters;
22. the term of authorization to the Board by the general meeting shall be the validity period of the 2023 Share Option Incentive Scheme.

The abovementioned authorizations can be directly exercised by the Chairman or the appropriate person authorized by the Board on behalf of the Board other than those subject to resolution by the Board as expressly stipulated in laws, administrative regulations, rules of the CSRC, regulatory documents, the 2023 Share Option Incentive Scheme or the Articles of Association.

III. The 2023 Second ESOP

1. the Board to handle matters in relation to the establishment, amendment and termination of the ESOP;
2. the Board to make decisions on the term extension of the ESOP;
3. the Board to go through the procedures for the securities accounts and capital accounts involved in the ESOP and to handle all matters concerning the lock-up and unlocking of the shares purchased under the ESOP;
4. upon approval of the ESOP at the general meeting, the Board is authorized to make corresponding adjustments to the ESOP accordingly in the event of any adjustments to the relevant laws, regulations or policies during the term of implementation;
5. the Board to change the Participants and the determination criteria for the ESOP;
6. the Board to sign agreements and documents related to the ESOP;
7. the Board to handle other matters necessary for the ESOP, except for those rights to be exercised by the general meeting that are expressly provided in the relevant documents.

LETTER FROM THE BOARD

The above authorizations shall take effect from the date when the ESOP is considered and approved at the general meeting of the Company to the completion of the implementation of the ESOP. The above-mentioned authorized matters, except for those matters need to be resolved by the Board as expressly required by laws, administrative regulations, rules of the CSRC, the ESOP and the Articles of Association of Great Wall Motor Company Limited, may be directly handled by the chairman of the Board or any appropriate person authorized by the chairman on behalf of the Board.

9. ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT AUTOMOTIVE UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE

On 29 December 2023, the Company held the first meeting of the special meeting of the independent Directors of 2023, the ninth meeting of the eighth session of the Board and the eighth meeting of the eighth session of the Supervisory Committee, at which the Resolution on Ordinary Related Party Transactions with Spotlight Automotive was considered and approved, which clarified the annual cap of related party transactions between the Company and Spotlight Automotive by category in 2024.

These transactions were made in accordance with the Listing Rules of the Shanghai Stock Exchange and do not constitute any transaction under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

For details of Ordinary Related Party Transactions with Spotlight Automotive under the Listing Rules of Shanghai Stock Exchange, please refer to Appendix VII to this circular.

10. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION, PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR GENERAL MEETING OF THE COMPANY AND PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY

Reference is made to the announcement of the Company dated 29 December 2023, in accordance with the Company Law of the People's Republic of China, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation and other relevant regulations in relation to the relevant provisions of independent directors, the Company proposed to amend the Articles of Association of the Company, amendments to Rules of Procedure for General Meeting of the Company and amendments to Rules of Procedure for Meetings of the Board of Directors of the Company. Such amendments are subject to approval by the shareholders of the Company at the EGM to be held by the Company and, if applicable, approval by the relevant government authorities in the PRC. Details of the amendments to the Articles of Association, the rules of procedures for general meeting of the Company and the rules of procedure for meetings of the board of directors of the Company are set out in Appendix VIII to this circular.

LETTER FROM THE BOARD

11. PROPOSED AMENDMENTS TO WORKING SYSTEM FOR INDEPENDENT DIRECTORS OF THE COMPANY

In accordance with the Administrative Measures for Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies — Standardized Operation and other relevant regulations, the Company amended the Working System for Independent Directors of Great Wall Motor Company Limited based on the actual conditions.

The above amendments to the Working System for Independent Directors of the Company are subject to approval by the shareholders of the Company at the EGM to be held by the Company.

The full text of the Working System for Independent Directors of the Company (Revised Version) is set out in Appendix IX to this circular.

12. THE EGM AND THE CLASS MEETINGS

The EGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting will be held at 2:00 p.m., 3:00 p.m. and 4:00 p.m. respectively on Friday, 26 January 2024 at the Company's Conference Room, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC. The notices of convening the EGM and the H Shareholders' Class Meeting have been sent to the Shareholders on 5 January 2024.

Shareholders of the Company who are the Participants of the Company's 2023 Restricted Share Incentive Scheme (in aggregate holding 33,145,174 A Shares representing approximately 0.39% of the total issued shares of the Company as of the Latest Practicable Date) shall abstain from voting on Resolutions 1, 3 and 5 set out in the notices of the EGM and the Class Meetings. Shareholders of the Company who are the Participants of the Company's 2023 Share Option Incentive Scheme (in aggregate holding 23,542,395 A Shares representing approximately 0.28% of the total issued shares of the Company as of the Latest Practicable Date) shall abstain from voting on Resolutions 2, 4 and 6 set out in the notices of the EGM and the Class Meetings. Shareholders of the Company who are the Participants of the Company's 2023 Second ESOP (in aggregate holding 7,537,816 A Shares representing approximately 0.09% of the total issued shares of the Company as of the Latest Practicable Date) shall abstain from voting on Resolutions 8, 9 and 10 set out in the notice of the EGM. Apart from the above, to the extent that the Directors are aware, having made all reasonable enquiries, no other Shareholders are required to abstain from voting on the above resolutions at the EGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting.

Pursuant to the Listing Rules of the Shanghai Stock Exchange, related Shareholders shall be required to abstain from voting at the EGM in relation to the relevant resolution to be proposed at the EGM. As at the Latest Practicable Date, Mr. Zhao Guo Qing (a director of Spotlight Automotive) holds 1,035,000 A Shares of the Company and Mr. Zhao Yong Po (a

LETTER FROM THE BOARD

director of Spotlight Automotive) holds 1,000 A Shares of the Company, therefore Mr. Zhao Guo Qing and Mr. Zhao Yong Po (they holding an aggregate of 1,036,000 A Shares, representing approximately 0.01% of the total issued shares of the Company as of the Latest Practicable Date), as the related Shareholders under the Listing Rules of the Shanghai Stock Exchange, shall abstain from voting on the relevant resolution of Spotlight Automotive (i.e. the resolutions 11 set out in the notices of the EGM) at EGM.

Solicitation of votes on the Incentive Scheme resolutions

Pursuant to the Management Measures, independent directors of a company listed on the Shanghai Stock Exchange should solicit votes publicly from all shareholders of the company on any proposed resolution relating to adoption of the 2023 Restricted Share Incentive Scheme, the 2023 Share Option Incentive Scheme by the listed company.

The purpose of such arrangement is to encourage shareholders of a company listed on the Shanghai Stock Exchange to participate in the voting for the resolution relating to adoption of the Incentive Schemes by the listed company by providing them with an additional way of participation in the general meeting.

As the A Shares of the Company are listed on the Shanghai Stock Exchange, pursuant to the Management Measures, the independent non-executive Directors of the Company have nominated Ms. Yue Ying as the soliciting party on their behalf to solicit votes from the Shareholders on the resolutions regarding the Incentive Scheme at the EGM and the Class Meetings. Pursuant to the Management Measures, Ms. Yue Ying will solicit votes from the Shareholders on the proposed resolutions relating to adoption of the 2023 Restricted Share and 2023 Share Option Schemes and related matters. However, Ms. Yue Ying will not solicit votes on resolutions proposed at the EGM or the Class Meetings which are not related to the aforementioned incentive schemes. As such, Ms. Yue Ying has prepared two Independent Non-executive Director's Proxy Forms (the "**Independent Non-executive Director's Proxy Forms**") for each of the EGM and the H Shareholders' Class Meeting. The Independent Non-executive Director's Proxy Forms for the EGM and the H Shareholders' Class Meeting respectively were enclosed on 5 January 2024. Ms. Yue Ying has, on behalf of other independent non-executive Directors, prepared the Announcement on the Public Solicitation of Votes by the Independent Non-executive Directors, the announcement of which, dated 5 January 2024, has been published on the website of the Shanghai Stock Exchange and the website of the Hong Kong Stock Exchange.

You may appoint Ms. Yue Ying as your proxy by filling in the Independent Non-executive Directors' Proxy Forms to vote on the resolutions relating the proposed adoption of the scheme on your behalf and appoint your own proxy by filling in the usual proxy forms to vote for you on all other resolutions proposed at the EGM and the H Shareholders' Class Meeting. Alternatively, you may simply appoint your own proxy to vote for you on all the resolutions (including those relating to the Scheme). Please refer to the Notice of the EGM and Notice of the H Shareholders' Class Meeting for details of the solicitation of votes and voting procedures.

LETTER FROM THE BOARD

13. BOOK CLOSURE PERIOD

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM and/or the Class Meetings (as the case may be), the H Share register of members of the Company will be closed from Tuesday, 23 January 2024 to Friday, 26 January 2024 (both days inclusive), during which no transfer of H Shares will be effected. H Shareholders whose names appear on the H Share register of members of the Company at 4:30 p.m. on Monday, 22 January 2024 will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting. In order for the H Shareholders to qualify for attending and voting at the EGM and the H Shareholders' Class Meeting, all completed share transfer documents accompanied by the relevant H Share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Monday, 22 January 2024.

14. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Hong Kong Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM and the Class Meetings in accordance with the Articles of Association. An announcement on the poll results will be made by the Company after the EGM and the Class Meetings in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

Please note that Ms. Yue Ying, an independent non-executive Director, has sent out the Independent Non-executive Director's Proxy Forms in accordance with the relevant regulations of the PRC to solicit votes from the Shareholders on the resolutions regarding the 2023 Restricted Share and 2023 Share Option Incentive Schemes and related matters at the EGM and the Class Meetings. Should you wish to appoint Ms. Yue Ying as your proxy to vote for you and on your behalf at the EGM and/or the H Shares Class Meeting on the resolutions regarding the aforementioned Incentive Schemes and related matters, please complete the Independent Non-executive Director's Proxy Forms. Alternatively, if you wish to appoint any person other than Ms. Yue Ying as your proxy to vote for you and on your behalf at the EGM and/or the H Shares Class Meeting on the resolutions regarding the aforementioned Incentive Schemes and their related matters, you may simply disregard the Independent Non-executive Director's Proxy Forms and complete and return the proxy form for use at the EGM and the proxy form for use at the H Shareholders' Class Meeting instead.

H Shareholders who wish to appoint a proxy/proxies to attend the EGM and/or the H Shareholders' Class Meeting are requested to complete and sign the proxy form or the Independent Non-executive Director's Proxy Forms in accordance with the instructions contained therein, and deliver the forms to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time designated for the commencement of the EGM and/or the H Shareholders' Class Meeting.

LETTER FROM THE BOARD

15. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

16. RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the terms of the Incentive Schemes (i.e., the Restricted Share Incentive Scheme, the Share Option Incentive Scheme and the Second ESOP), Ordinary Related Party Transactions between the Company and Spotlight Automotive under the Listing Rules of the Shanghai Stock Exchange, proposed amendments to Articles of Association, proposed amendments to rules of procedure for general meeting of the Company, proposed amendments to rules of procedure for meetings of the board of directors of the Company and proposed amendments to Working System for independent directors of the Company are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommend that the Independent Shareholders to vote in favour of the relevant proposals to be tabled to the EGM and the Class Meetings (where applicable).

17. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices of this circular.

Yours faithfully,
By Order of the Board
Wei Jian Jun
Chairman

Baoding, Hebei Province, the People's Republic of China

Stock Code: 601633

Stock Abbreviation: Great Wall Motor

Convertible Bond Code: 113049

Convertible Bond Name: GWM Convertible Bond

**2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED
(DRAFT)**

**Great Wall Motor Company Limited
December 2023**

STATEMENT

The Board, the Supervisory Committee and all Directors and Supervisors of the Company guarantee that the Incentive Scheme and its summary do not contain any false statements, misleading statements or material omissions, and assume liability for its authenticity, accuracy and completeness.

SPECIAL NOTES

- I. The 2023 Restricted Share Incentive Scheme (Draft) of Great Wall Motor Company Limited (hereinafter referred to as the “**Incentive Scheme**” or the “**Scheme**”) is prepared in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Management Measures for Share Incentives of Listed Companies and others relevant laws, regulations, rules and regulatory documents, as well as the Articles of Association and other provisions of Great Wall Motor Company Limited (hereinafter referred to as the “**Company**” or “**Great Wall Motor**”).
- II. The incentive tool of the Incentive Scheme is Restricted Shares. The source of the Shares is ordinary A Shares of the Company to be directly issued to the Participants by the Company.
- III. The number of Restricted Shares to be granted to the Participants under the Incentive Scheme is 70,000,000 Shares in total, and the underlying shares are ordinary A Shares, representing approximately 0.8238% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme. Specifically, 56,000,000 Shares were granted under the first grant, representing 80% of the total number of Restricted Shares to be granted under the Incentive Scheme and 0.6591% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme; 14,000,000 Shares were reserved, representing 20% of the total number of Restricted Shares to be granted under the Incentive Scheme and 0.1648% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme.

As at the announcement date of the draft of the Incentive Scheme, the total number of underlying Shares involved in the Company’s Share Incentive Scheme within the Validity Period has not exceeded 10% of the total number of the Company’s Shares. In the Incentive Scheme, the cumulative number of the Company’s Shares obtained by any single Participant through the Incentive Scheme in the Validity Period has not exceeded 1% of the Company’s total Shares.

During the period from the announcement date of the Incentive Scheme to the completion of registration of the Restricted Shares by the participants, in case of capitalisation issue, bonus issue, subdivision of share capital or share consolidation, rights issue and other matters, the number of Restricted Shares granted shall be adjusted accordingly pursuant to the Incentive Scheme.

- IV. The Grant Price of Restricted Shares under the first grant of the Incentive Scheme shall be RMB13.61/Share.

During the period from the announcement date of the Incentive Scheme to the completion of registration of the Restricted Shares by the Participants, in case of capitalisation issue, bonus issue, subdivision of share capital or share consolidation, rights issue, dividend distribution and other matters, the Grant Price of Restricted Shares shall be adjusted accordingly pursuant to the Incentive Scheme.

- V. The Validity Period of the Incentive Scheme shall commence on the Grant Date of the Restricted Shares under the first grant and end on the date of unlocking all the Restricted Shares granted to the Participants or the repurchase and cancellation of such Shares, which shall not exceed 48 months.

- VI. The total number of Participants under the first grant of the Incentive Scheme shall be 810, including the senior management holding positions at the Company, directors and senior management of the Company's holding subsidiaries, and middle management and core technical (business) backbone staff of the Company (including the holding subsidiaries) when it announces the Incentive Scheme. This does not include the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children.

Participants of the reserved grant refer to the Participants who are not yet determined when the Scheme is approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting but are included in the Incentive Scheme during the Validity Period of the Scheme and who are determined within 12 months from the date on which the Incentive Scheme is considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

- VII. The Company does not have the following events which prohibit the Company from implementing a share incentive scheme pursuant to the Management Measures for Share Incentives of Listed Companies:

- (I) issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;
- (II) issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;

- (III) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - (IV) prohibition from implementation of a share incentive scheme by laws and regulations;
 - (V) other circumstances determined by the CSRC.
- VIII. The Participants do not have the following events which prohibit them from becoming a participant pursuant to the Management Measures for Share Incentives of Listed Companies:
- (I) he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - (II) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - (III) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - (IV) he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
 - (V) he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
 - (VI) other circumstances determined by the CSRC.
- IX. The Company undertakes not to provide loans and financial support in any other forms, including providing guarantee for loans, to any Participants for acquiring relevant interests under the Incentive Scheme.
- X. The Company undertakes that information disclosure documents relating to the Incentive Scheme do not contain any false statements, misleading statements or material omissions.
- XI. The Participants under the Incentive Scheme undertake that: where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.

XII. The Incentive Scheme is subject to the consideration and approval of the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. After the Incentive Scheme is considered and approval at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will convene a Board meeting pursuant to relevant requirements within 60 days to grant the interests to the Participants, and complete relevant procedures including announcement and registration. If the Company fails to complete the above procedures within 60 days, the Company shall disclose the reasons for the failure and announce termination of the Incentive Scheme and the Restricted Shares which have not been granted will lapse (the period during which listed companies are not allowed to grant Restricted Shares pursuant to the Management Measures and other relevant laws and regulations shall not be counted into the above 60 days). The reserved portion shall be granted within 12 months after the Incentive Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company.

XIII. The implementation of the Incentive Scheme will not result in the Company's shareholding distribution not meeting the conditions for listing.

XIV. The Board is authorized by the general meeting to take charge of the subsequent management of the Scheme, and has the right of final interpretation of the Scheme.

CONTENTS

STATEMENT	105
SPECIAL NOTES	106
CHAPTER I DEFINITIONS	111
CHAPTER II PURPOSE AND PRINCIPLES OF THE INCENTIVE SCHEME	113
CHAPTER III ADMINISTRATIVE BODY OF THE INCENTIVE SCHEME	114
CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND THE SCOPE OF PARTICIPANTS	115
CHAPTER V SOURCE, NUMBER AND ALLOCATION OF RESTRICTED SHARES	117
CHAPTER VI VALIDITY PERIOD, GRANT DATE, UNLOCKING ARRANGEMENT AND LOCK-UP PERIOD OF THE INCENTIVE SCHEME ...	118
CHAPTER VII THE GRANT PRICE OF THE RESTRICTED SHARES AND THE BASIS OF ITS DETERMINATION	121
CHAPTER VIII CONDITIONS ON GRANT AND UNLOCKING OF THE RESTRICTED SHARES	122
CHAPTER IX METHODS AND PROCEDURES FOR ADJUSTMENT OF THE RESTRICTED SHARE INCENTIVE SCHEME	127
CHAPTER X ACCOUNTING TREATMENT OF RESTRICTED SHARES	130
CHAPTER XI IMPLEMENTATION PROCEDURES OF THE SHARE INCENTIVE SCHEME	131
CHAPTER XII RESPECTIVE RIGHTS AND OBLIGATIONS OF THE COMPANY/PARTICIPANTS	136
CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/PARTICIPANTS	138
CHAPTER XIV PRINCIPLES OF REPURCHASE AND CANCELLATION OF RESTRICTED SHARES	141
CHAPTER XV SUPPLEMENTARY PROVISIONS	144

CHAPTER I DEFINITIONS

In this document, the following expressions have the following meanings unless the context requires otherwise:

Great Wall Motor or the Company	Great Wall Motor Company Limited
Incentive Scheme, Scheme	the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft)
Restricted Shares	a certain number of Shares of the Company granted to the Participants according to the conditions and price stipulated in the Scheme, which are subject to a Lock-up Period and can only be unlocked for trading when the unlocking conditions as stipulated in the Incentive Scheme are satisfied
Participants	senior management of the Company and directors and senior management of the Company's holding subsidiaries, middle management and core technical (business) backbone staff of the Company (including the holding subsidiaries) to be granted the Restricted Shares pursuant to the Incentive Scheme
Grant Date	the date on which the Company shall grant Restricted Shares to the Participants, which shall be a trading day
Grant Price	the price of each Restricted Share granted to the Participants by the Company
Lock-up Period	the period during which the Restricted Shares may not be transferred, used to guarantee or repay debts before the conditions stipulated in the Incentive Scheme for the Participants to exercise its rights and interests have been fulfilled
Unlocking Period	the period during which the Restricted Shares of the Participants are unlocked and can be traded upon the fulfillment of the Unlocking Conditions as stipulated in the Incentive Scheme

Unlocking Conditions	the conditions that shall be met for unlocking the Restricted Shares of the Participants pursuant to the Incentive Scheme
Validity Period	the period commencing from the date the Restricted Shares are granted under the first grant to the date when all Restricted Shares are unlocked or repurchased and cancelled
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Management Measures	the Management Measures for Share Incentives of Listed Companies
Articles of Association	the articles of association of Great Wall Motor Company Limited
CSRC	China Securities Regulatory Commission
Stock Exchange	the Shanghai Stock Exchange
RMB, RMB'0,000	Renminbi, ten thousand Renminbi

Notes:

1. Unless otherwise specified, the financial data and financial indicators referred to in this draft represent the financial data of the consolidated statements and the financial indicators calculated based on such financial data.
2. Any difference in the mantissa between the summation and the direct addition of detail figures in this draft is caused by rounding.

CHAPTER II PURPOSE AND PRINCIPLES OF THE INCENTIVE SCHEME**I. The Purpose of Establishing the Incentive Scheme**

For future-oriented long-term development and governance, the Company has built an innovative long-term incentive mechanism to turn employees from “workers doing work” to “partners doing business” by granting rights and obligations to Participants. By doing so, the Company aims to gather a group of fighters and business leaders with common values to promote its long-term and steady development and align the interests of all Shareholders. Specifically, the launch of the Incentive Scheme has the following purposes:

1. By establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, the Company aims to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of Shareholders, the Company and its key personnel, in order to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
2. By setting challenging performance targets to bring both pressure and motivation, which not only helps enhance the Company’s competitiveness but also helps mobilize the enthusiasm and creativity of the Company’s management and core backbone staff, the Company aims to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
3. The Scheme, which can help attract and retain outstanding management talents and core business staff, is designed to meet the Company’s huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company’s cohesion, establish the Company’s human resources advantages, further stimulate the Company’s innovation vitality, and inject new power into the Company’s sustained and rapid development.

II. The Incentive Scheme applies the following principles:**1. Principle of legal compliance**

For the implementation of the Incentive Scheme, the Company performs relevant procedures in strict accordance with laws and administrative regulations and carries out information disclosure in a true, accurate, complete, and timely manner.

2. *Principle of voluntary participation*

The Company implements the Incentive Scheme in the principle of voluntary participation, and does not force employees to participate in the Incentive Scheme by means of forced allocation.

3. *Principle of benefit sharing*

The Incentive Scheme is linked to the Company's key performance indicators, highlights the Company's common vision, and closely aligns the long-term interests of the Company's management, core backbone staff and Shareholders.

CHAPTER III ADMINISTRATIVE BODY OF THE INCENTIVE SCHEME

- I. The general meeting, as the ultimate authoritative organization of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Incentive Scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Incentive Scheme.
- II. The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration Committee under the Board shall be responsible for drafting and revising the Incentive Scheme, and submitting the Incentive Scheme to the Board for consideration and approval. Upon consideration and approval by the Board, the Incentive Scheme shall be further submitted to the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval. The Board may handle other matters relating to the Incentive Scheme within its scope of authority as delegated by the general meeting.
- III. The Supervisory Committee shall act as the supervisory authority for the Incentive Scheme, and shall issue opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, regulations, regulatory documents and operational rules of the Stock Exchange, and shall be responsible for verifying the list of the Participants. The Independent Director(s) shall solicit voting rights by proxy from all shareholders in respect of the Incentive Scheme.

- IV. Where amendments have been made to the Incentive Scheme before the Incentive Scheme is passed at the general meeting, the Remuneration Committee shall give advice to the Board of the Company and the Supervisory Committee shall issue opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.

Before any entitlements are granted to a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements stipulated under the Share Incentive Scheme. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Scheme, the Remuneration Committee and the Supervisory Committee (where there is a change of the Participants) shall simultaneously issue clear opinions thereon.

Before the exercise by a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions as to whether the conditions stipulated under the Share Incentive Scheme for the Participant to exercise such entitlements have been fulfilled.

CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND THE SCOPE OF PARTICIPANTS

I. Basis for Determining the Participants

(I) Legal Basis for Determining the Participants

Participants of the Incentive Scheme are determined in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

Persons who are under the following circumstances may not be Participants, if he or she:

1. has been determined by any stock exchange as an ineligible person in the last 12 months;
2. has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
3. has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;

4. is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
5. is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
6. is under other circumstances determined by the CSRC.

(II) Position Basis for Determining the Participants

The Participants of the grant under the Incentive Scheme shall be senior management of the Company, directors and senior management of the Company's holding subsidiaries, middle management and core technical (business) backbone staff of the Company (including the holding subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development.

II. Scope of the Participants

There are 810 Participants of the grant under the Incentive Scheme in total, including:

- (I) senior management of the Company;
- (II) directors and senior management of the Company's holding subsidiaries;
- (III) middle management and core technical (business) staff of the Company (including the holding subsidiaries);

The Participants under the Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children.

Among the Participants of the grant, senior management must be appointed by the Board of the Company. All the Participants must hold positions in and enter into labour contracts with the Company (including the Company's subsidiaries listed in the consolidated statements) within the Validity Period of the Incentive Scheme.

The Participants of the reserved grant shall be determined within 12 months after the Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. Upon proposal by the Remuneration Committee of the Board, consideration by the Board and after the Supervisory Committee expresses unequivocal opinions and the legal advisors express professional opinions and issue legal opinions, the

Company shall disclose relevant information of the current Participants on the designated website in a timely and accurate manner. If the Participants are not determined within 12 months, the reserved interests shall lapse.

III. Verification of Participants

- (I) After the Board has reviewed and approved the Incentive Scheme, the Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days.
- (II) The Supervisory Committee of the Company shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before the Incentive Scheme is considered at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

CHAPTER V SOURCE, NUMBER AND ALLOCATION OF RESTRICTED SHARES

I. Source of Shares of the Incentive Scheme

The source of the underlying Shares of the Incentive Scheme shall be ordinary A Shares to be directly issued to the Participants by the Company.

II. Number of the Restricted Shares Granted

The Company intends to grant 70,000,000 Restricted Shares to the Participants, representing 0.8238% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme. Specifically, 56,000,000 Shares were granted under the first grant, representing 80% of the total number of Restricted Shares to be granted under the Incentive Scheme and 0.6591% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme; 14,000,000 Shares were reserved, representing 20% of the total number of Restricted Shares to be granted under the Incentive Scheme and 0.1648% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme.

The allocation of the Restricted Shares granted to the Participants is as follows:

Name	Position	Number of the Restricted Shares granted (0'000 Shares)	Percentage to the total number of the Restricted Shares granted	Percentage to the current total number of Shares
Mu Feng	General Manager	80	1.1429%	0.0094%
	Other management personnel and core technical (business) backbone staff (809 people)	5,520	78.8571%	0.6497%
	Reserved	1,400	20%	0.1648%
	Total (810 people)	7,000	100%	0.8238%

Notes:

1. The total Shares of the Company to be granted under the Share Option Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
2. The Participants of the Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children.

CHAPTER VI VALIDITY PERIOD, GRANT DATE, UNLOCKING ARRANGEMENT AND LOCK-UP PERIOD OF THE INCENTIVE SCHEME

I. Validity Period of the Incentive Scheme

The Validity Period of the Incentive Scheme shall commence on the Grant Date of the Restricted Shares under the first grant and end on the date of unlocking all the Restricted Shares or the repurchase and cancellation of such Shares, which shall not exceed 48 months.

II. Grant Date of the Incentive Scheme

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. The Company shall grant the Restricted Shares and complete the announcement and registration procedures within 60 days from the date on which the Incentive Scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, failing which the Company shall disclose the reasons for the failure and announce termination of the Incentive Scheme and the Restricted Shares which have not been granted will lapse. The Grant Date of the reserved portion shall be the date of the announcement of the resolution of the Board meeting considering the grant of this portion of Restricted Shares.

The Grant Date must be a trading day and must not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semi-annual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the publication date in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The above-mentioned period during which the Company is not allowed to grant Restricted Shares is not included in the period of 60 days. In case of shareholding reduction by the Company's Directors and senior management as the Participants within six months before the grant of Restricted Shares, the grant of Restricted Shares shall be postponed for six months from the date of the last shareholding reduction in accordance with the short-swing trading provisions under the Securities Law.

III. Lock-up Period of the Incentive Scheme

The Lock-up Period of the Restricted Shares under the first grant of the Incentive Scheme shall be 12, 24 and 36 months; If the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Lock-up Period of the reserved Restricted Shares will be consistent with that of the initially granted; if the reserved Restricted Shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Lock-up Period of the reserved Restricted Shares shall be 12 and 24 months from the Grant Date. The Shares and dividends obtained by the Participants due to the grant of the Restricted Shares not yet unlocked to them arising from capitalisation issue, bonus issue, share sub-division, etc. shall be subject to locking in accordance with the Incentive Scheme, and shall not be sold in the secondary market or otherwise transferred. The Unlocking Period of such Shares is the same as that of the Restricted Shares. If the Company repurchases the Restricted Shares not yet unlocked, such Shares shall be repurchased at the same time.

During the Lock-up Period, the Restricted Shares which are granted to the Participants under the Incentive Scheme and remain unlocked shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

Upon expiry of the Lock-up Period, the Company shall proceed with the unlocking for the Participants who satisfy unlocking conditions, and the Restricted Shares held by the Participants who do not satisfy the unlocking conditions shall be repurchased and cancelled by the Company.

IV. Unlocking Arrangement of the Incentive Scheme

The Unlocking Period and the unlocking schedule for each period for the Restricted Shares under the first grant of the Incentive Scheme are shown in the table below:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
First Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 12 months from the date of the first grant to the last trading day upon the expiry of 24 months from the date of the first grant	40%
Second Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 24 months from the date of the first grant to the last trading day upon the expiry of 36 months from the date of the first grant	30%
Third Unlocking Period for the Restricted Shares under the first grant	Commencing from the first trading day upon the expiry of 36 months from the date of the first grant to the last trading day upon the expiry of 48 months from the date of the first grant	30%

If the reserved Restricted Shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), Unlocking Period and the unlocking schedule for each period will be consistent with those of the initially granted portion; if the reserved Restricted Shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Unlocking Period and the unlocking schedule for each period are set out below:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
First Unlocking Period for the reserved Restricted Shares	Commencing from the first trading day upon the expiry of 12 months from the date of the reserved grant to the last trading day upon the expiry of 24 months from the date of the reserved grant	50%
Second Unlocking Period for the reserved Restricted Shares	Commencing from the first trading day upon the expiry of 24 months from the date of the reserved grant to the last trading day upon the expiry of 36 months from the date of the reserved grant	50%

For Restricted Shares that have not been applied for unlocking or cannot be applied for unlocking due to failure to meet the unlocking conditions during the aforesaid Unlocking Periods, the Company will repurchase and cancel such Restricted Shares from relevant Participants in accordance with the principles of the Scheme.

V. Lock-up Period of the Incentive Scheme

The lock-up arrangement under this Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

1. Where a Participant is a Director or a member of the senior management of the Company, the number of Shares which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office.
2. Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains.
3. If, during the Validity Period of the Incentive Scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Participants during the relevant times.

**CHAPTER VII THE GRANT PRICE OF THE RESTRICTED SHARES AND THE
BASIS OF ITS DETERMINATION****I. Grant Price of the Restricted Shares under the First Grant**

The Grant Price of the Restricted Shares under the first grant shall be RMB13.61 per Share. Upon fulfilment of the grant conditions, each Participant is entitled to acquire the Restricted A Shares newly issued to the Participants by the Company at the price of RMB13.61 per Share.

II. Basis of Determination for the Grant Price of the Restricted Shares under the First Grant

The Grant Price of the Restricted Shares under the first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- 1) 50% of the average trading price of the A Shares (i.e. RMB13.02 per share) on the trading day preceding the date of the announcement of the draft of the Incentive Scheme;
- 2) 50% of the average trading price of the A Shares (i.e. RMB13.61 per share) for 20 trading days preceding the date of the announcement of the draft of the Incentive Scheme.

III. Basis of Determination for the Grant Price of the Reserved Restricted Shares

Prior to each grant of the reserved Restricted Shares, a Board meeting shall be held to consider and approve related resolutions and disclose related situation. The Grant Price of the reserved Restricted Shares shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- 1) 50% of the average trading price of the A Shares on the trading day preceding the date of the announcement of the Board resolution granting the reserved Restricted Shares;
- 2) 50% of one of the average trading prices of the A Shares for the last 20 trading days, 60 trading days, or 120 trading days preceding the date of the announcement of the Board resolution granting the reserved Restricted Shares.

**CHAPTER VIII CONDITIONS ON GRANT AND UNLOCKING OF THE RESTRICTED
SHARES****I. Conditions on Grant of the Restricted Shares**

Restricted Shares may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Restricted Shares cannot be granted to the Participants if any of the following conditions of grant is not satisfied.

- 1) There is no occurrence of any of the following events on the part of the Company:
 - ① issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations;
 - ⑤ other circumstances determined by the CSRC.
- 2) There is no occurrence of any of the following events on the part of the Participants:
 - ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;

- ③ he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

II. Conditions on unlocking of the Restricted Shares

During the Unlocking Period, the following conditions must be fulfilled before the Restricted Shares granted to the Participants can be unlocked:

- 1) There is no occurrence of any of the following events on the part of the Company:
 - ① issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations;
 - ⑤ other circumstances determined by the CSRC.
- 2) There is no occurrence of any of the following events on the part of the Participants:
 - ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - ③ he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;

- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph 1), all the Restricted Shares that have been granted to the Participants under the Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company; in case of any circumstance specified in the sub-paragraph 1) under which one becomes personally liable, the repurchase price shall not exceed the Grant Price; in case any Participant has any of the circumstances specified in the above sub-paragraph 2), the Restricted Shares that have been granted to the Participant under the Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company, the repurchase price shall not exceed the Grant Price

3) *Performance appraisal at company level*

The appraisal years for the unlocking of the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the proportion eligible for unlocking at the company level (X) shall be determined based on the fulfillment of the achievement rate of performance targets (P) in each appraisal year. The performance appraisal targets for each year of the first grant of Restricted Shares are shown in the figure below:

Selection of performance indicators	Sales volume	Net profits
Weighting of each performance indicator	50%	50%
Completion rate of performance targets (P)	$\sum (\text{the actual achievement value of performance indicators/the target value of performance indicators}) \times \text{weighting of performance indicators}$	
First Unlocking Period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
Second Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
Third Unlocking Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

If the reserved Restricted Shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved portion will be consistent with that of the initially granted portion; if the reserved Restricted Shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the performance appraisal targets for each year of the reserved Restricted Shares will be as follows:

Selection of performance indicators	Sales volume	Net profits
Weighting of each performance indicator	50%	50%
Completion rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
The first unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
The Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

Note: The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed companies. The “sales volume” mentioned above refers to the annual sales volume disclosed in the Annual Report of the Company.

Performance indicator	Achievements of annual performance targets	Unlocking proportion at company level (X)
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to meet the above performance appraisal targets, all the Restricted Shares of the Participants eligible for unlocking in the corresponding appraisal year shall not be unlocked, and shall be repurchased and canceled by the Company.

If unlocking conditions are not satisfied in any Unlocking Period within the Validity Period of the Incentive Scheme, such portion of the Restricted Shares unlockable in the current period cannot be deferred to the next year and will be repurchased and cancelled by the Company.

4) Performance appraisal at individual level

The annual performance appraisal results of the Participants are classified into five grades, i.e., A, B, C, D and E. The unlocking proportion (N) at individual level is determined based on the appraisal results set out in the table below:

Annual performance appraisal results	A	B	C	D	E
Unlocking ratio at individual level (N)	100%	100%	80%	0%	

Actual unlockable proportion of individual Participants for the year = unlockable proportion for the current period × unlockable proportion at company level (X) × unlocking proportion at individual level (N).

Restricted Shares of Participants not eligible for unlocking in the year shall be repurchased and cancelled by the Company.

III. Scientificity and Reasonableness of the Appraisal Indicators

The appraisal indicators of the Incentive Scheme are in line with the basic requirements of laws and regulations as well as the Company's Articles of Association. The appraisal indicators of the Company are categorised into two levels, i.e. performance appraisal at company level and performance appraisal at individual level.

The performance appraisal indicators of this incentive scheme at company level under this scheme are sales volume and net profit. The sales volume is our core strategic indicator, which is designed to support the realization of the sale target; the net profit is the ultimate manifestation of the Company's profitability and corporate growth, and the increasing net profit is the basis for the survival of the enterprise and the condition for its development. The Company predicts that market competition will further intensify in the next three years against the backdrop of the development of the automobile industry's stock market. The Company will firmly pursue quality market share growth, adhere to long-term sustainable and high-quality development, and focus on deepening resources to new energy, intelligence and globalization. In terms of technology research and development, the Company will accelerate technology iteration and innovation and increase research and development investment in the fields of intelligence and new energy for improving product competitiveness and achieving category innovation. In terms of brands and channels, the Company will accelerate the construction of new marketing and channel capabilities under the Internet model, and increase investment in brand-building and channel upgrading. Meanwhile, the Company will deepen the construction of a new pattern of enterprise growth driven by both technology and brand.

In order to further increase the Company's attractiveness to talents in the industry, facilitate the construction of the Company's core team, fully mobilize the initiative and creativity of the Company's core staff, enhance the Company's competitiveness, ensure that the Company maintains sustained and stable growth, achieve the Company's future development

strategy and business goals, and bring more efficient and sustainable returns to Shareholders, after comprehensively considering the current macroeconomic environment, the Company's historical performance, the industry development status, and the Company's future development plans and other relevant factors, the Company, making reasonable prediction and taking into account the incentive effect of the Scheme, has set the above-mentioned performance appraisal targets for the Scheme and established a corresponding appraisal model with stage-by-stage exercise, which achieves the dynamic adjustment of the equity exercise ratio against the performance growth level, reflecting the higher growth and profitability requirements while ensuring the expected incentive effect. Therefore, the indicator setting is reasonable and scientific. For the Participants, the performance targets are clear and challenging.

In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which evaluates the performance of Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the unlocking conditions based on their performance appraisal results for the previous year.

Given the above, the appraisal system for the Incentive Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of the Incentive Scheme.

CHAPTER IX METHODS AND PROCEDURES FOR ADJUSTMENT OF THE INCENTIVE SCHEME

I. Methods of Adjusting the Number of Restricted Shares

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of the announcement of this incentive scheme to the completion of registration of Restricted Shares by the Participants, the number of Restricted Shares shall be adjusted accordingly. The adjustment method is as follows:

1) Capitalisation issue, bonus issue and sub-division of share capital

$$Q=Q_0\times(1+n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per share upon capitalisation issue, bonus issue and sub-division of the share capital); Q represents the adjusted number of Restricted Shares.

2) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

3) Share consolidation

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares.

4) Dividend distribution and additional issues

Under the above circumstances, no adjustment will be made by the Company to the number of the Restricted Shares.

II. Method of Adjusting the Grant Price of the Restricted Shares

In the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company in the period from the date of the announcement of this incentive scheme to the completion of registration of Restricted Shares by the Participants, the Grant Price of the Restricted Shares shall be adjusted accordingly. The adjustment method is as follows:

1) Capitalisation issue, bonus issue and sub-division of Shares

$$P=P_0 \div (1+n)$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and sub-division of shares; P represents the adjusted Grant Price.

2) Rights issue

$$P=P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1+n)]$$

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

3) Share consolidation

$$P=P_0 \div n$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Grant Price.

4) Dividend distribution

$$P=P_0 - V$$

Where: P_0 represents the Grant Price before the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. P shall be greater than 1 after the dividend distribution.

- 5) Under the circumstance of additional issue of new shares, no adjustment will be made on the Grant Price of the Restricted Shares.

III. Adjustment Procedures for the Incentive Scheme of Restricted Shares

The general meeting of the Company shall authorize the Board to adjust the number or the Grant Price of Restricted Shares for the above reasons. After the Board adjusts the Grant Price or the number of Restricted Shares according to the above provisions, it shall promptly make an announcement and notify the Participants in accordance with the relevant provisions, and perform the information disclosure procedures. The Company will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and the Incentive Scheme.

If, for other reasons, it is necessary to adjust the number, the Grant Price or other terms of Restricted Shares, the Company will comply with Rule 17.03(13) of the Hong Kong Listing Rules when conducting such adjustment, and will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and the Incentive Scheme, which shall be subject to consideration and approval of the general meeting.

CHAPTER X ACCOUNTING TREATMENT OF RESTRICTED SHARES

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

I. Accounting treatment***1) On the Grant Date***

The bank deposit, share capital, capital reserve, treasury stock and other payables shall be recognized according to the status of the grant of Restricted Shares to the Participants by the Company.

2) On each balance sheet date during the Lock-up Period

Pursuant to the requirements of the accounting standards, the services provided by the staff for the current period will be recognised as costs and the owners' equity or liability will be recognized on each balance sheet date during the Lock-up Period based on the best estimate of the number of unlockable Restricted Shares and the fair value of the equity instrument on the Grant Date.

3) On the unlocking date

On the unlocking date, if the unlocking conditions are fulfilled, the Restricted Shares shall be unlocked and the capital reserve recognised on each balance sheet date before the unlocking date shall be carried forward (other capital reserve); if all or part of the Shares are lapsed or cancelled since the same have not been unlocked, such Shares will be repurchased by the Company at the Grant Price and dealt with pursuant to the accounting standards and relevant requirements.

II. Estimated Impact on the Operating Performance of Each of the Period due to Implementation of the Restricted Shares

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company shall measure the fair value of the restricted Shares based on the market prices of the Shares. On the measurement date, the fair value of share-based payment per Restricted Share = market price of the Shares of the Company – Grant Price.

Assuming the Company grants Restricted Shares in January 2024, based on the data on 12 December 2023, the total amount of fair value of the equity instruments granted by the Company to the Participants is RMB743,120,000.

Number of Restricted Shares (0'000 shares)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
5,600.00	74,312.00	37,168.70	24,694.45	10,162.32	2,286.52

Notes:

- (1) For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the Grant Price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of Shareholders.
- (3) The final impact on the operating results of the Company shall be subject to the annual audit report issued by the accounting firm.

The estimate is based on certain parameters and the actual costs of share incentives will vary with parameters as determined by the Board after the Grant Date. The Company will disclose specific accounting methods and the impact on the financial data of the Company in the regular reports of the Company.

CHAPTER XI IMPLEMENTATION PROCEDURES OF THE SHARE INCENTIVE SCHEME**I. Procedures for the Restricted Share Incentive Scheme to Take Effect**

- (I) The Remuneration Committee is responsible for preparing the draft of the Incentive Scheme, Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited.

- (II) The Board shall consider the draft of the Incentive Scheme, Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited prepared by the Remuneration Committee. When the Board considers the Incentive Scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting. After the Board reviewed and approved the Incentive Scheme and performed the announcement procedure, it should propose the Incentive Scheme to the general meeting for review and approval; at the same time, it shall propose to the general meeting to authorize and execute the grant, repurchase and cancellation of the Restricted Shares.
- (III) The Supervisory Committee shall issue opinions in respect of whether the Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and Shareholders as a whole.
- (IV) The Company shall, within two trading days after the draft of the Incentive Scheme is considered and passed by the Board, publish an announcement of the Board resolution, announcing the draft and a summary of the Incentive Scheme and opinion of the Supervisory Committee.
- (V) The Company should carry out self-investigation on the trading of shares of the Company by insiders during the 6-month period prior to the announcement of the Incentive Scheme. Those who trade in the Shares of the Company while possessing inside information (except where laws, administrative regulations and relevant judicial interpretations deem not to be insider transactions) may not become Participants. Those who leak inside information which causes insider transactions to take place may not become Participants.
- (VI) The Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of not less than 10 days. The Supervisory Committee shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before the Incentive Scheme is considered at a general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
- (VII) When the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company are convened to vote on the Incentive Scheme, the Independent Directors shall solicit proxy voting rights from all Shareholders regarding the Incentive Scheme. At the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, it is required

to vote on the content of the Share Incentive Scheme under Article 9 of the Management Measures, and the Incentive Scheme shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting. Except for the Directors, Supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the Company's Shares, the voting by other Shareholders shall be separately counted and disclosed.

When the Share Incentive Scheme is considered at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, Shareholders who are Participants or Shareholders who have a related relationship with the Participants shall abstain from voting thereon.

- (VIII) The Company shall disclose the announcement on the resolutions of the general meeting, the Share Incentive Scheme as considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and the self-examination report and legal opinions of the general meeting on the inside information insiders' trading of the Shares of the Company.
- (IX) After the Incentive Scheme has been considered and approved at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Board of the Company shall, according to the delegation of the general meeting, grant entitlements and complete the registration and announcement procedures within 60 days from the date of consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board shall handle the grant, repurchase and cancellation of the Restricted Shares and other matters according to the delegation of the general meeting.

II. Procedures for Grant of Restricted Shares

- (I) Upon consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Company shall sign an Agreement on Grant of/Subscription for Incentive Shares with the Participants in order to define their respective rights and obligations. If a Participant fails to sign an Agreement on Grant of/Subscription for Incentive Shares, he/she shall be deemed to have automatically abandoned his/her rights and obligations.
- (II) The Board shall consider and announce whether the conditions stipulated under the Share Incentive Scheme for the Participant to receive entitlements have been satisfied before the Company grants such entitlements to such Participants. The

Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the Participants to receive such entitlements are fulfilled or not.

- (III) The Supervisory Committee of the Company shall verify the list of Participants on the Grant Date of the Restricted Shares and issue their views on such verification.
- (IV) If there are any discrepancies between the grant of entitlements to the Participants and the arrangement of the Share Incentive Scheme, the Remuneration Committee, the Supervisory Committee (where there is a change of the Participants), the law firm and the independent financial adviser, if necessary, shall all express their views explicitly.
- (V) The Company shall make a grant to the Participants and complete the announcement and registration procedures within 60 days (excluding the period during which no grant of entitlements is allowed pursuant to the requirements under laws and regulations) after the Share Incentive Scheme is considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board of the Company shall disclose the implementation thereof timely by way of announcement after completion of the registration of the grant. In the event the Company fails to complete the procedures mentioned above within such 60 days, the Scheme shall be terminated, and the Board shall disclose the reason for such failure timely and shall not be allowed to consider the Share Incentive Scheme within the following three months.
- (VI) The Participants of the Restricted Shares shall pay the consideration for subscribing for the Restricted Shares into the account designated by the Company in accordance with the Agreement on Grant of/Subscription for Incentive Shares. The Participant shall be deemed as having waived his or her right to subscribe for the Restricted Shares not fully paid.
- (VII) The Company shall make an application to the stock exchange first before any entitlement is granted, and the securities registration and clearing institution will conduct the registration procedure thereof upon confirmation by such stock exchange.
- (VIII) The granting procedures for the reserved interests of the Company shall be executed with reference to the procedures for the first grant. The Participants of the reserved interests shall be determined within 12 months after the Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. If the Participants are not determined within 12 months, the reserved interests shall lapse.

III. Procedures for Unlocking of the Restricted Shares

- (I) The Company shall confirm whether the Participants satisfy the unlocking conditions before the unlocking date. The Board shall consider whether the unlocking conditions as set out in the Scheme have been satisfied. The Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the unlocking by the Participants are fulfilled or not. For the Participants who satisfy the unlocking conditions, the Company shall handle the unlocking at its discretion, and for the Participants who fail to satisfy the unlocking conditions, the Company will repurchase and cancel the Restricted Shares corresponding to the unlocking this time. The Company shall disclose the implementation thereof timely by way of announcement.
- (II) A Participant may transfer the unlocked Restricted Shares, but the transfer of Shares held by Directors and senior management of the Company shall be in compliance with the requirements of relevant laws, regulations and normative documents.
- (III) Before the unlocking of Restricted Shares of the Participants, the Company shall apply to the stock exchange. Upon confirmation by the stock exchange, the securities registration and clearing institution will handle the relevant registration and clearing matter.

IV. Procedures for Amendment of the Incentive Scheme

- 1. If the Company intends to amend the Scheme before it is considered at the general meeting, such amendment shall be considered and approved by the Board.
- 2. If the Company intends to amend the Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
 - 1) unlocking of the Restricted Shares ahead of schedule;
 - 2) reducing the Grant Price.
- 3. The Supervisory Committee of the Company shall give opinions as to whether the amendments are conducive to the sustainable development of the Company or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

4. A law firm shall issue professional opinions as to whether the amendments to the Scheme are in compliance with the requirements of the Management Measures and relevant laws and regulations or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

V. Procedures for Termination of the Incentive Scheme

1. If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
2. If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at the general meeting.
3. A law firm shall issue professional opinions as to whether the termination of the Incentive Scheme by the listed company is in compliance with the requirements of the Measures and relevant laws and regulations or is significantly detrimental to the interests of the listed company and the Shareholders as a whole.
4. Upon termination of the Incentive Scheme, the Company shall repurchase Restricted Shares that have not been unlocked, and deal with them in accordance with the provisions of the Company Law.
5. If the Company's general meeting or the Board meeting considers and approves the resolution to terminate the implementation of the Share Incentive Scheme, it shall not be allowed to review the Share Incentive Scheme in the following 3 months from the date of the announcement of the resolution.

CHAPTER XII RESPECTIVE RIGHTS AND OBLIGATIONS OF THE COMPANY/PARTICIPANTS

I. Rights and Obligations of the Company

- (I) The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of the Participants based on the requirements under the Incentive Scheme. If a Participant fails to fulfill the unlocking conditions required under the Incentive Scheme, the Company will repurchase and cancel the Restricted Shares which have not been unlocked by the Participants in accordance with the principles under the Incentive Scheme.
- (II) The Company undertakes not to provide loans and financial support in any other forms, including providing guarantees for loans, to the Participants for acquiring the Restricted Shares under the Incentive Scheme.

- (III) The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Incentive Scheme in accordance with the relevant requirements.
- (IV) The Company shall actively support the Participants who have fulfilled the unlocking conditions to unlock the Restricted Shares in accordance with the relevant requirements including those of the Incentive Scheme, the CSRC, the Stock Exchange, and China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Participants who fail to unlock the Restricted Shares at their own will due to reasons caused by the CSRC, the stock exchange and China Securities Depository and Clearing Corporation Limited.
- (V) The Company confirms that the eligibility of the Participants under the Incentive Scheme does not represent the right of such Participants to continue to serve the Company and does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Participants is still governed by the employment contract between the parties.
- (VI) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

II. Rights and Obligations of the Participants

- (I) A Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contributions to the development of the Company.
- (II) Source of funds shall be self-financed by the Participants.
- (III) Upon completion of registration by the Depository and Clearing Company, the Restricted Shares granted to the Participants shall have the same rights as Shares, including but not limited to the rights to dividend, the rights to rights issue, the rights to vote and the rights to participate in the distribution of remaining assets in the Company's liquidation conferred by such Shares.

The Restricted Shares granted to the Participants under the Scheme shall not be transferred or used as a guarantee or for repayment of debt before unlocking of the Restricted Shares.

- (IV) Any gains of the Participants generated from the Incentive Scheme are subject to individual income tax and other taxes according to PRC tax laws.

- (V) The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Share Option Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
- (VI) Upon consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will sign an Agreement on Grant/Subscription for Incentive Shares with each Participant in order to define their respective rights and obligations under the Incentive Scheme and other relevant matters.
- (VII) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/PARTICIPANTS

I. Handling Unusual Changes to the Company

- (I) The Scheme shall be terminated if any of the following events occurs to the Company:
1. change in control of the Company;
 2. merger and spin-off of the Company.
- (II) The Incentive Scheme shall be terminated immediately if any of the following events occurs to the Company, the Restricted Shares which have been granted to the Participants but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company; in case of the following events under which one becomes personally liable, the repurchase price shall not exceed the Grant Price:
1. issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;
 2. issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;

3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
4. prohibition from implementation of a share incentive scheme by laws and regulations;
5. other circumstances under which the Incentive Scheme shall be terminated as determined by the China Securities Regulatory Commission.

(III) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with grant conditions or unlocking arrangements, all the Restricted Shares that have not been unlocked shall be repurchased and cancelled by the Company uniformly. In respect of the Restricted Shares granted to Participants and already unlocked by the Participants, the Participants concerned shall return to the Company all interests granted.

The Board shall recover the gain received by the Participants in accordance with the aforesaid provisions and the relevant arrangements under the Incentive Scheme.

(IV) In the event of any political and policy risks, serious natural calamities and other force majeure during the Validity Period of the Incentive Scheme, the occurrence of which is beyond the control of the Company's management, the Board may terminate the Incentive Scheme.

II. Handling Unusual Changes to the Participants

(I) If the Participants are demoted but still meet the incentive conditions after demotion, the Restricted Shares that can be unlocked shall be re-determined according to the standards corresponding to their new positions, and the Restricted Shares so reduced shall be repurchased and cancelled by the Company.

If the Participants are demoted and no longer meet the incentive conditions as stipulated in the Scheme after demotion, the Restricted Shares that have been unlocked shall be unlocked normally, and the Restricted Shares that have been granted but not yet unlocked shall be repurchased and cancelled by the Company.

(II) If any of the following circumstances occurs to a Participant, his/her Restricted Shares that have been granted shall be handled in accordance with the procedures under the Incentive Scheme, and the performance appraisal at the individual level will no longer be included in the unlocking conditions:

- A. civil incapacity arising out of work;
- B. death arising out of work;

(III) Retirement of Participants

1. Where Participants leave the Company due to retirement, their Restricted Shares for which the unlocking conditions have been met shall be handled as per the procedures under the Incentive Scheme prior to the retirement. Restricted Shares of the Participants granted but for which the unlocking conditions have not been met shall not be unlocked and shall be repurchased and canceled by the Company.
2. If the Participants are re-employed after retirement, the Restricted Shares granted to them shall be handled fully according to the procedures specified in the Scheme before their retirement.

(IV) If any of the following circumstances occurs, the Restricted Shares which have been granted but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company:

- A. When the labor contract of a Participant is terminated or dismissed by the Company due to reasons other than the above Paragraph (II) and Paragraph (III);
- B. When a Participant is not within the scope of the units and positions covered by the Incentive Scheme due to the transfer of position;
- C. When a Participant holds position in a wholly-owned or controlled subsidiary of Great Wall Motor Company Limited, if Great Wall Motor Company Limited loses control of the subsidiary and the Participant still work in the subsidiary;
- D. When a Participant serves as a Supervisor or an Independent Director or holds other position prohibited from holding the Company's Restricted Shares due to redesignation.

(V) Where a Participant is terminated his/her labor relationship by the Company due to violation of laws and regulations or the Company's anti-bribery management system during his/her term of office, the Company shall repurchase the Restricted Shares granted but not unlocked at original price and cancel, and the Company may require the Participant to return the proceeds from the unlocked Restricted Shares.

(VI) Where a Participant after his/her termination of office causes serious loss to the Company due to violation of competition restrictions, the Company's anti-bribery management system or major work problems identified after his/her termination of office, the Company shall have the right to require the Participant to return all the proceeds obtained under the Incentive Scheme.

(VII) In the implementation process of the Scheme, if a Participant is prohibited from being the Participant due to the circumstances as stipulated in Article 8 of the Management Measures, the Company shall not continue to grant him/her the rights and interests, and the Restricted Shares that have been granted but not yet unlocked shall be repurchased and cancelled by the Company at a repurchase price not higher than the Grant Price.

(VIII) Other circumstances not stated above and the handling method thereof shall be determined by the Remuneration Committee.

III. Resolution of Disputes between the Company and the Participants

Any dispute arising out of the implementation of the Incentive Scheme and/or the share incentive agreement signed by the Company and the Participants or any dispute in relation to the Incentive Scheme and/or the share incentive agreement shall be settled by negotiation and communication between the parties or through mediation conducted by the Remuneration Committee of the Board of the Company. If relevant disputes fail to be settled through the abovementioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people's court with jurisdiction in the place where the Company is located.

CHAPTER XIV PRINCIPLES OF REPURCHASE AND CANCELLATION OF RESTRICTED SHARES

1. Repurchase Price of the Restricted Shares

In the event that the Company repurchases and cancels the Restricted Shares in accordance with the requirements of the Incentive Scheme, save and except any adjustment required to be made to the number of the Restricted Shares to be repurchased and the repurchase price herein below, the number of the Restricted Shares to be repurchased shall be the number of the Restricted Shares granted but not yet unlocked and the repurchase price shall be the sum of the Grant Price and the interests for bank deposits during the same period. However, if any Participant assumes personal liabilities under section 1 of Article 18 of the Management Measures, or any Participant falls within section 2 of Article 18 of the Management Measures, the repurchase price shall be the Grant Price.

2. Method for Adjustment of Repurchase Quantity

Upon completion of registration of the Restricted Shares granted to the Participants, in case of capitalisation issue, bonus issue, subdivision of share capital, rights issue, share consolidation and other matters affecting the total share capital or the number of Shares of the Company, it shall make adjustments to the repurchase quantity of the Restricted Shares yet to be unlocked accordingly. The Company will repurchase such number of Restricted Shares granted to, and Shares of the Company so obtained therefrom by, the Participants based on such adjustment. The adjustment method is as follows:

1) Capitalisation issue, bonus issue and share subdivision

$$Q=Q_0 \times (1+n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of increase per share resulting from capitalization issue, bonus issue or share subdivision (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and share subdivision); Q represents the adjusted number of Restricted Shares.

2) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

3) Share consolidation

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares.

4) Dividend distribution and additional issues

Under the above circumstances, no adjustment will be made by the Company to the number of the Restricted Shares.

3. Method for Adjustment of Repurchase Price

Upon completion of registration of the Restricted Shares granted to the Participants, in case of capitalisation issue, bonus issue, share subdivision, rights issue, share consolidation or distribution of dividends and other issues affecting the total share capital or share price of the Company, the repurchase price of Restricted Shares yet to be unlocked shall be adjusted by the Company accordingly. The Company will repurchase the Restricted Shares granted to, and shares of the Company so obtained therefrom by, the Participants at the adjusted price. The adjustment method is as follows:

1) Capitalisation issue, bonus issue and share subdivision

$$P=P_0\div(1+n)$$

Where: P_0 represents the Grant Price per Restricted Share; n represents the rate of increase per share resulting from capitalisation issue, bonus issue and share subdivision (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and share subdivision); P represents the repurchase price per Restricted Share after adjustment.

2) Rights issue

$$P=P_0\times(P_1+P_2\times n)\div[P_1\times(1+n)]$$

Where: P_0 represents the Grant Price per Restricted Share; P_1 represents the closing price of shares on the record date; P_2 represents the price of rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company prior to the rights issue); P represents the repurchase price per Restricted Share after adjustment.

3) Share consolidation

$$P=P_0\div n$$

Where: P_0 represents the Grant Price per Restricted Share; n represents the ratio of share consolidation per share (i.e. one share shall be consolidated into n share); P represents the repurchase price per Restricted Share after adjustment.

4) Dividend distribution

$$P=P_0-V$$

Where: P_0 represents the repurchase price per Restricted Share prior to adjustment; V represents the amount of dividends per share; P represents the repurchase price per Restricted Share after adjustment. P shall be greater than 1 after the dividend distribution.

- 5) Under the circumstance of additional issue of new shares, no adjustment will be made by the Company to the repurchase price of the Restricted Shares.

4. Procedures for Adjustment of Repurchase Quantity and Price

- 1) The Board of the Company shall be authorized at the general meeting of Company to adjust the repurchase quantity or price of Restricted Shares based on the reasons listed above. After adjustment to the repurchase quantity or price according to the above provisions, an announcement shall be made by the Board in a timely manner.

- 2) The adjustment to the repurchase quantity or price of Restricted Shares for other reasons shall be subject to resolution of the Board and approval at the general meeting.

5. Procedures of Repurchase and Cancellation

- 1) The Company shall promptly convene a Board meeting pursuant to the mandate from the general meeting to consider the Share repurchase plan and publish announcements in a timely manner;
- 2) The Company will engage a law firm to give professional advice on whether the repurchase plan of shares is in compliance with the laws, administrative regulations, the Management Measures and the Scheme;
- 3) When implementing repurchase in accordance with the provisions of the Incentive Scheme, the Company shall apply to the stock exchange for relevant procedures for the cancellation of Restricted Shares. Upon confirmation by the stock exchange, the Company shall complete the cancellation procedures with China Securities Depository and Clearing Corporation Limited in a timely manner and make an announcement.

CHAPTER XV SUPPLEMENTARY PROVISIONS

- I. The Incentive Scheme shall take effect after the consideration and approval of the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company.
- II. The Incentive Scheme shall be interpreted by the Board of the Company.

Great Wall Motor Company Limited
The Board
12 December 2023

Stock Code: 601633

Stock Name: Great Wall Motor

Convertible Bond Code: 113049

Convertible Bond Name: GWM Convertible Bond

**2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED
(DRAFT)**

**Great Wall Motor Company Limited
December 2023**

STATEMENT

The Board, the Supervisory Committee and all Directors and Supervisors of the Company guarantee that the Incentive Scheme and its summary do not contain any false statements, misleading statements and material omissions, and assume liability for its authenticity, accuracy and completeness.

SPECIAL NOTES

- I. The 2023 Share Option Incentive Scheme (Draft) of Great Wall Motor Company Limited (hereinafter referred to as the “**Incentive Scheme**” or the “**Scheme**”) is prepared in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Management Measures for Share Incentives of Listed Companies and others relevant laws, regulations, rules and regulatory documents, as well as the Articles of Association and other provisions of Great Wall Motor Company Limited (hereinafter referred to as the “**Company**” or “**Great Wall Motor**”).
- II. The incentive tool of the Incentive Scheme is Share Options. The source of the Shares is ordinary A Shares of the Company to be directly issued to the Participants by the Company.
- III. The number of Share Option to be granted to the Participants under the Incentive Scheme is 96,875,000 in total, and the Underlying Shares of the Share Options are ordinary A Shares, representing approximately 1.1401% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme. Specifically, 77,500,000 options were granted under the first grant, representing approximately 80% of the total number of Share Options to be granted under the Incentive Scheme and 0.9121% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme; 19,375,000 options were reserved, representing approximately 20% of the total number of Share Options to be granted under the Incentive Scheme and 0.2280% of the total number of Shares of the Company as at the date of the announcement of the draft of the Incentive Scheme. As at the announcement date of the draft of the Incentive Scheme, the total number of Underlying Shares involved in the Company’s Share Incentive Scheme within the Validity Period has not exceeded 10% of the total number of the Company’s Shares. In the Incentive Scheme, the cumulative number of the Company’s Shares obtained by any single Participant through the Incentive Scheme in the Validity Period has not exceeded 1% of the Company’s total Shares.

During the period from the announcement date of the Incentive Scheme to the completion of exercise of Options by the Participants, in case of capitalisation issue, bonus issue, share subdivision or share consolidation, rights issue and other matters, the number of Share Options granted shall be adjusted accordingly pursuant to the Incentive Scheme.

- IV. The Exercise Price of Share Options under the first grant of the Incentive Scheme shall be RMB27.22/Share.

During the period from the announcement date of the Incentive Scheme to the completion of exercise of Options by the Participants, in case of capitalisation issue, bonus issue, share subdivision or share consolidation, rights issue, dividend distribution and other matters of the Company, the Exercise Price of Share Options shall be adjusted accordingly pursuant to the Incentive Scheme.

- V. The Validity Period of the Incentive Scheme shall commence on the Grant Date of the Share Options under the first grant and end on the date of exercising all the Share Options granted to the Participants or the cancellation of such Shares, which shall not exceed 48 months.

- VI. The total number of Participants under the first grant of the Incentive Scheme is 1,195, including middle management and core technical (business) backbone staff of the Company (including the subsidiaries) when it announces the Incentive Scheme. This does not include the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

Participants of the reserved grant refer to the Participants who are not yet determined when the Scheme is approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting but are included in the Incentive Scheme during the Validity Period of the Scheme and who are determined within 12 months from the date on which the Incentive Scheme is considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

- VII. The Company does not have the following events which prohibit the Company from implementing a share incentive scheme pursuant to the Management Measures for Share Incentives of Listed Companies:

- (I) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- (II) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;

- (III) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - (IV) prohibition from implementation of a share incentive scheme by laws and regulations; and
 - (V) other circumstances determined by the CSRC.
- VIII. The Participants do not have the following events which prohibit them from becoming a participant pursuant to the Management Measures for Share Incentives of Listed Companies:
- (I) he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - (II) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - (III) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - (IV) he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
 - (V) he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations; and
 - (VI) he or she is under other circumstances determined by the CSRC.
- IX. The Company undertakes not to provide loans and financial support in any other forms, including providing guarantee for loans, to any Participants for acquiring relevant Share Options under the Incentive Scheme.
- X. The Company undertakes that information disclosure documents relating to the Incentive Scheme do not contain any false statements, misleading statements or material omissions.
- XI. The Participants under the Incentive Scheme undertake that: where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.

- XII. The Incentive Scheme is subject to the consideration and approval of the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. After the Incentive Scheme is considered and approval at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will convene a Board meeting pursuant to relevant requirements within 60 days to grant the interests to the Participants, and complete relevant procedures including announcement and registration. If the Company fails to complete the above procedures within 60 days, the Company shall disclose the reasons for the failure and announce termination of the Incentive Scheme and the Share Options which have not been granted will lapse. (The period during which listed companies are not allowed to grant rights and interests pursuant to the Management Measures for Share Incentives of Listed Companies and other relevant laws, administrative regulations, departmental rules and regulatory documents shall not be counted into the above 60 days). The reserved portion must be granted within 12 months after the Incentive Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company.
- XIII. The implementation of the Incentive Scheme will not result in the Company's shareholding distribution not meeting the conditions for listing.
- XIV. The Board is authorized by the general meeting to take charge of the subsequent management of the Scheme, and has the right of final interpretation.

CONTENTS

STATEMENT.....	146
SPECIAL NOTES	147
CHAPTER I DEFINITIONS	152
CHAPTER II PURPOSE AND PRINCIPLES OF THE INCENTIVE SCHEME	154
CHAPTER III ADMINISTRATIVE BODY OF THE INCENTIVE SCHEME.....	155
CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND THE SCOPE OF PARTICIPANTS	156
CHAPTER V SOURCE, NUMBER AND ALLOCATION OF SHARE OPTIONS	158
CHAPTER VI VALIDITY PERIOD, GRANT DATE, EXERCISE ARRANGEMENT AND LOCK-UP PERIOD OF THE INCENTIVE SCHEME	159
CHAPTER VII THE EXERCISE PRICE OF THE SHARE OPTIONS AND THE BASIS OF ITS DETERMINATION	163
CHAPTER VIII CONDITIONS ON GRANT AND EXERCISE OF THE SHARE OPTIONS.....	164
CHAPTER IX METHODS AND PROCEDURES FOR ADJUSTMENT OF THE INCENTIVE SCHEME	170
CHAPTER X ACCOUNTING TREATMENT OF SHARE OPTIONS.....	173
CHAPTER XI IMPLEMENTATION PROCEDURES OF THE SHARE INCENTIVE SCHEME	175
CHAPTER XII RESPECTIVE RIGHTS AND OBLIGATIONS OF THE COMPANY/PARTICIPANTS	179
CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/ PARTICIPANTS.....	181
CHAPTER XIV SUPPLEMENTARY PROVISIONS	184

CHAPTER I DEFINITIONS

In this document, the following expressions have the following meanings unless the context requires otherwise:

Great Wall Motor or the Company	Great Wall Motor Company Limited
Incentive Scheme, Scheme	the draft of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited
Share Options, Options	the rights to be granted by the Company to the Participants to purchase a certain number of Shares at a pre-determined price within a certain period of time in the future
Participants	middle management and core technical (business) backbone staff of the Company (including the subsidiaries) to be granted the Share Options pursuant to the Incentive Scheme
Validity Period	the period commencing from the date the Share Options are first granted to the date when all Share Options are exercised or cancelled
Grant Date	the date on which the Company shall grant Share Options to the Participants, which must be a trading day
Exercise Price	the price at which the Participants shall purchase the Shares of the Company, determined at the time of granting Share Options to the Participants, as set forth in this Scheme
Vesting Period	the period commencing from the date of registration of the grant of the Share Options and ending on the Exercisable Date of the Share Options
Exercise	the Participants' exercise of the Share Options owned by them according to the Share Option Incentive Scheme, i.e. the Participants' purchase of target Shares according to the price and conditions as stipulated in the Incentive Scheme

Exercisable Date	the date on which the Participants are entitled to exercise the Share Options, which must be a trading day
Exercise Conditions	the conditions that must be fulfilled by the Participants to exercise the Share Options under the Share Option Incentive Scheme
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Management Measures	the Management Measures for Share Incentives of Listed Companies
Articles of Association	the articles of association of Great Wall Motor Company Limited
CSRC	China Securities Regulatory Commission
Stock Exchange	the Shanghai Stock Exchange
RMB, RMB'0,000	Renminbi, ten thousand Renminbi

Note:

1. Unless otherwise specified, the financial data and financial indicators referred to in this draft represent the financial data of the consolidated statements and the financial indicators calculated based on such financial data.
2. Any difference in the mantissa between the summation and the direct addition of detail figures in this draft is caused by rounding.

CHAPTER II PURPOSE AND PRINCIPLES OF THE INCENTIVE SCHEME**I. The Purpose of Formulating the Incentive Scheme**

For future-oriented long-term development and governance, the Company has built an innovative long-term incentive mechanism to turn employees from “workers doing work” to “partners doing business” by granting them rights and obligations. By doing so, the Company aims to gather a group of fighters and business leaders with common values to promote its long-term and steady development and align the interests of all Shareholders. Specifically, the launch of the Incentive Scheme has the following purposes:

1. By establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, the Company aims to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of Shareholders, the Company and its key personnel, in order to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
2. By setting challenging performance targets to bring both pressure and motivation, which not only helps enhance the Company’s competitiveness but also helps mobilize the enthusiasm and creativity of the management and core backbone staff, the Company aims to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
3. The Scheme, which can help attract and retain outstanding management talents and core business staff, is designed to meet the Company’s huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company’s cohesion, establish the Company’s human resources advantages, further stimulate the Company’s innovation vitality, and inject new power into the Company’s sustained and rapid development.

II. The Incentive Scheme applies the following principles:**1. Principle of legal compliance**

For the implementation of the Incentive Scheme, the Company performs relevant procedures in strict accordance with laws and administrative regulations and carries out information disclosure in a true, accurate, complete, and timely manner.

2. *Principle of voluntary participation*

The Company implements the Incentive Scheme in the principle of voluntary participation, and does not force employees to participate in the Incentive Scheme by means of forced allocation.

3. *Principle of benefit sharing*

The Incentive Scheme is linked to the Company's key performance indicators, highlights the Company's common vision, and closely aligns the long-term interests of the Company's management, core backbone staff and Shareholders.

CHAPTER III ADMINISTRATIVE BODY OF THE INCENTIVE SCHEME

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Incentive Scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Incentive Scheme.
- II. The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration Committee under the Board shall be responsible for drafting and revising the Incentive Scheme, and submitting the Incentive Scheme to the Board for review and approval. Upon approval by the Board, the Incentive Scheme shall be further submitted to the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval. The Board may handle other matters relating to the Incentive Scheme within its scope of authority as delegated by the general meeting.
- III. The Supervisory Committee shall act as the supervisory authority for the Incentive Scheme, and shall issue opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, regulations, regulatory documents and operational rules of the Stock Exchange, and shall be responsible for verifying the list of the Participants. The Independent Director(s) shall solicit voting rights by proxy from all shareholders in respect of the Incentive Scheme.

- IV. Where amendments have been made to the Incentive Scheme before the Incentive Scheme is passed at the general meeting, the Remuneration Committee shall give advice to the Board of the Company and the Supervisory Committee shall issue opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole.

Before any entitlements are granted to a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements stipulated under the Incentive Scheme. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Scheme, the Remuneration Committee and the Supervisory Committee (where there is a change of the Participants) shall simultaneously issue clear opinions thereon.

Before the exercise by a Participant, the Remuneration Committee and the Supervisory Committee shall issue clear opinions as to whether the conditions stipulated under the Share Option Incentive Scheme for the Participant to exercise such entitlements have been fulfilled.

CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND THE SCOPE OF PARTICIPANTS

I. Basis for Determining the Participants

(I) Legal Basis for Determining the Participants

Participants of the Incentive Scheme are determined in accordance with the Company Law, the Securities Law, the Management Measures and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

Persons who are under the following circumstances may not be Participants, if he or she:

1. has been determined by any stock exchange as an ineligible person in the last 12 months;
2. has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
3. has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
4. is prohibited from acting as a Director or a member of the senior management as required by the Company Law;

5. is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations; or
6. is under other circumstances determined by the CSRC.

(II) Position Basis for Determining the Participants

The Participants of the grant under the Incentive Scheme shall be middle management and core technical (business) backbone staff of the Company (including the subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development.

II. Scope of Participants

There are 1,195 Participants of the grant under the Incentive Scheme in total, namely middle management and core technical (business) backbone staff of the Company (including the subsidiaries);

The Participants under the Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

All the Participants must hold positions in and enter into labour contracts with the Company (including the Company's subsidiaries listed in the consolidated statements) within the Validity Period of the Incentive Scheme.

The Participants of the reserved grant shall be determined within 12 months after the Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. Upon proposal by the Remuneration Committee of the Board, consideration by the Board and after the Supervisory Committee express unequivocal opinions and the legal advisors express professional opinions and issue legal opinions, the Company shall disclose relevant information of the current Participants on the designated website in a timely and accurate manner. If the Participants are not determined within 12 months, the reserved interests shall lapse.

III. Verification of Participants

- (I) After the Board has reviewed and approved the Incentive Scheme, the Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days.
- (II) The Supervisory Committee of the Company shall verify the list of the Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before the Incentive Scheme is considered at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

CHAPTER V SOURCE, NUMBER AND ALLOCATION OF SHARE OPTIONS**I. Source of Shares of the Incentive Scheme**

The source of the underlying Shares of the Share Option Incentive Scheme shall be ordinary A Shares to be directly issued to the Participants by the Company.

II. Number of the Share Options Granted

The Company intends to grant 96,875,000 Share Options to the Participants, representing 1.1401% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme. Specifically, 77,500,000 options were granted under the first grant, representing 80% of the total number of Share Options to be granted under this incentive scheme and approximately 0.9121% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme; 19,375,000 options were reserved, representing 20% of the total number of Share Options to be granted under this incentive scheme and approximately 0.2280% of the total number of Shares of the Company as at the date of the announcement of the draft of this incentive scheme.

The allocation of the Share Options granted to the Participants is as follows:

Name	Position	Number of the Share Options granted (0'000)	Percentage to the total number of the Share Options granted	Percentage to the current total number of Shares
Other management personnel and core technical (business) backbone staff (1,195 people)				
		7,750.00	80%	0.9121%
Reserved		1,937.50	20%	0.2280%
Total (1,195 people)		9,687.50	100%	1.1401%

Note:

1. The total Shares of the Company to be granted under the Share Option Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
2. The Participants of the Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

CHAPTER VI VALIDITY PERIOD, GRANT DATE, EXERCISE ARRANGEMENT AND LOCK-UP PERIOD OF THE INCENTIVE SCHEME

I. Validity Period of the Incentive Scheme

The Validity Period of the Incentive Scheme shall commence on the date on which the Share Options have been granted for the first time and end on the date of exercising all the Share Options or the cancellation of such Share Options, which shall not exceed 48 months.

II. Grant Date of the Incentive Scheme

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company. The Company shall grant the Share Options and complete the announcement and registration procedures within 60 days from the date on which the Incentive Scheme is considered and passed at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, failing which the Company shall disclose the reasons for the failure and announce termination of the Incentive Scheme and the Share Options which have not been granted will lapse. The Grant Date of the reserved Share Options shall be the date of the announcement of the resolution of the Board meeting considering the grant of this portion of Share Options.

The Grant Date must be a trading day and must not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semi-annual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the publication date in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The above-mentioned period during which the Company is not allowed to grant Share Options is not included in the period of 60 days. In case of shareholding reduction by the Company's Directors or senior management as the Participants within six months before the grant of Share Options, the grant of Share Options shall be postponed for six months from the date of the last shareholding reduction in accordance with the short-swing trading provisions under the Securities Law.

III. Vesting Period of the Incentive Scheme

The Vesting Period of Share Options granted under the Incentive Scheme shall be 12, 24 or 36 months from the Grant Date; if the reserved Share Options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Vesting Period of reserved Share Options will be consistent with that of the first grant; if the reserved Share Options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Vesting Period of the reserved Share Options shall be 12 or 24 months from the Grant Date.

During the Vesting Period, the Share Options which are granted to the Participants under the Incentive Scheme shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

IV. Exercisable Date of the Incentive Scheme

The Share Options to be granted shall be exercisable after expiry of 12 months commencing from the date of the grant, subject to the approval of the Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Exercisable Date must be a trading day and shall not fall within any of the following periods:

- ① the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semi-annual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- ② the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- ③ the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the publication date in accordance with laws;
- ④ other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

V. Exercise Arrangement of the Incentive Scheme

On the Exercisable Date, the Participants can exercise their Share Options in three tranches within 36 months after the expiry of 12 months commencing from the date of the grant of the Share Options under the first grant, upon the fulfillment of the Exercise Conditions under the Scheme.

The Exercise Period and exercise schedule for the Share Options under the first grant of the Incentive Scheme are shown in the table below:

Exercise arrangement	Exercise schedule	Exercise proportion
First Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 12 months from the date of the first grant to the last trading day upon the expiry of 24 months from the date of the first grant	1/3
Second Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 24 months from the date of the first grant to the last trading day upon the expiry of 36 months from the date of the first grant	1/3
Third Exercise Period of Share Options under the first grant	Commencing from the first trading day upon the expiry of 36 months from the date of the first grant to the last trading day upon the expiry of 48 months from the date of the first grant	1/3

If the reserved share options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Exercise Period and exercise schedule for each period will be consistent with those of the initially granted portion; if the reserved share options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Exercise Period and exercise schedule for each period are set out below:

Exercise arrangement	Exercise schedule	Exercise proportion
First Exercise Period of Share Options under the reserved grant	Commencing from the first trading day upon the expiry of 12 months from the date of the reserved grant to the last trading day upon the expiry of 24 months from the date of the reserved grant	1/2
Second Exercise Period of Share Options under the reserved grant	Commencing from the first trading day upon the expiry of 24 months from the date of the reserved grant to the last trading day upon the expiry of 36 months from the date of the reserved grant	1/2

For Share Options that have not been applied for exercise or cannot be applied for exercise due to failure to meet the exercise conditions during the aforesaid Exercise Periods, the exercise shall not be deferred to the next stage and the Company will cancel such Share Options from relevant Participants in accordance with the principles of the Scheme.

VI. Lock-up Period of the Incentive Scheme

The lock-up arrangement under the Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

1. Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office.
2. Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains.
3. If, during the Validity Period of the Incentive Scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Participants during the relevant times.

CHAPTER VII THE EXERCISE PRICE OF THE SHARE OPTIONS AND THE BASIS OF ITS DETERMINATION

I. Exercise Price of the Share Options under the first grant

The Exercise Price of the Share Options under the first grant shall be RMB27.22 per Share. Upon fulfillment of the Exercise Conditions, each Participant is entitled to purchase 1 Share of the Company at the price of RMB27.22 per Share for each Share Option he/she is granted.

II. Basis of determination for the Exercise Price of the Share Options under the first grant

The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

1. the average trading price of the A Shares (i.e., RMB26.04 per Share) on the trading day preceding the date of the announcement of the draft of the Incentive Scheme;
2. the average trading price of the A Shares (i.e., RMB27.22 per Share) for 20 trading days preceding the date of the announcement of the draft of the Incentive Scheme.

III. Basis of determination for the Exercise Price of the reserved Share Options

Prior to each grant of the reserved Share Options, a Board meeting shall be held to consider and approve related resolutions and disclose related situation. The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- (1) the average trading price of the A Shares on the trading day preceding the date of the announcement of the Board resolution granting the reserved Share Options;
- (2) one of the average trading prices of the A Shares for the last 20 trading days, 60 trading days, or 120 trading days preceding the date of the announcement of the Board resolution granting the reserved Share Options.

**CHAPTER VIII CONDITIONS ON GRANT AND EXERCISE OF
THE SHARE OPTIONS****I. Conditions on Grant of the Share Options**

Share Options may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Share Options cannot be granted to the Participants if any of the following conditions of grant is not satisfied.

1) There is no occurrence of any of the following events on the part of the Company:

- ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;

- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations; or
 - ⑤ other circumstances determined by the CSRC.
- 2) *There is no occurrence of any of the following events on the part of the Participants:*
- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
 - ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations; or
 - ⑥ he or she is under other circumstances determined by the CSRC.

II. Conditions on Exercise of the Share Options

During the Exercise Period, the following conditions must be fulfilled before the Share Options granted to the Participants can be exercised:

- 1) There is no occurrence of any of the following events on the part of the Company:
- ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;

- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from implementation of a share incentive scheme by laws and regulations; or
 - ⑤ other circumstances determined by the CSRC.
- 2) There is no occurrence of any of the following events on the part of the Participants:
- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
 - ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations; or
 - ⑥ he or she is under other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph 1), all the Share Options that have been granted to the Participants under the Incentive Scheme but have not been exercised shall be cancelled by the Company; in case any participant has any of the circumstances specified in the above sub-paragraph 2), the share options that have been granted to the Participant under the Incentive Scheme but have not been exercised shall be cancelled by the Company.

3) Performance appraisal requirements at company level

The appraisal year for the exercise of the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the proportion of exercise at the Company level (X) shall be determined based on the fulfillment of the completion rate of performance targets (P) in each appraisal year. The performance appraisal targets for each year of the initial grant of share option are shown in the figure below:

Selection of performance indicators	Sales volume	Net profits
Weighting of each performance indicator	50%	50%
Completion rate of performance targets (P)	$\sum (\text{the actual achievement value of performance indicators/the target value of performance indicators}) \times \text{weighting of performance indicators}$	
The first Exercise Period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
The second Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
The third Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

If the reserved options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved portion will be consistent with that of the initially granted portion; if the reserved share option is granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the performance appraisal targets for each year of the reserved share option will be as follows:

Selection of performance indicators	Sales volume	Net profits
Weighting of each performance indicator	50%	50%
Completion rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
The first Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
The second Exercise Period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

Note: The “net profit” above refers to the audited net profit attributable to shareholders of listed companies. The “sales volume” above refers to the annual sales volume disclosed in the Annual Report of the Company.

Performance indicator	Achievements of annual performance targets	Exercise ratio at company level (X)
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to meet the above performance appraisal targets, all the exercisable share options of the incentive participants in the corresponding appraisal year shall not be exercised, and shall be canceled by the Company.

If the conditions for exercise are not met in any of the exercise periods during the validity period of the Incentive Plan, the corresponding proportion of exercisable share options in the current period shall not be deferred to the next year, and shall be uniformly canceled by the Company.

4) Performance appraisal at individual level

The annual performance appraisal results of incentive participants are divided into five grades, namely, A, B, C, D and E. The exercise ratio at individual level (N) shall be determined according to the appraisal results in the table below:

Annual performance appraisal results	A	B	C	D	E
Exercise ratio at individual level (N)	100%	100%	80%	0%	

The actual exercise ratio of individual incentive participants for the year = the exercise ratio in the current period × the exercise ratio at company level (X) × the exercise ratio at individual level (N).

The share options which cannot be exercised by the incentive participants in the appraisal year shall be canceled by the Company.

III. Scientificity and Reasonableness of the Appraisal Indicators

The appraisal indicators of the Incentive Scheme are in line with the basic requirements of laws and regulations as well as the Company's Articles of Association. The appraisal indicators of the Company are categorised into two levels, i.e. performance appraisal at company level and performance appraisal at individual level.

The performance appraisal indicators of this incentive scheme at company level under this scheme are sales volume and net profit. The sales volume is our core strategic indicator, which is designed to support the realization of the sale target; the net profit is the ultimate manifestation of the Company's profitability and corporate growth, and the increasing net profit is the basis for the survival of the enterprise and the condition for its development. The Company predicts that market competition will further intensify in the next three years against the backdrop of the development of the automobile industry's stock market. The Company will firmly pursue quality market share growth, adhere to long-term sustainable and high-quality development, and focus on deepening resources to new energy, intelligence and globalization. In terms of technology research and development, the Company will accelerate technology iteration and innovation and increase research and development investment in the fields of intelligence and new energy for improving product competitiveness and achieving category innovation. In terms of brands and channels, the Company will accelerate the construction of new marketing and channel capabilities under the Internet model, and increase investment in brand-building and channel upgrading. Meanwhile, the Company will deepen the construction of a new pattern of enterprise growth driven by both technology and brand.

In order to further increase the Company's attractiveness to talents in the industry, facilitate the construction of the Company's core team, fully mobilize the initiative and creativity of the Company's core staff, enhance the Company's competitiveness, ensure that the Company maintains sustained and stable growth, achieve the Company's future development

strategy and business goals, and bring more efficient and sustainable returns to Shareholders, after comprehensively considering the current macroeconomic environment, the Company's historical performance, the industry development status, and the Company's future development plans and other relevant factors, the Company, making reasonable prediction and taking into account the incentive effect of the Scheme, has set the above-mentioned performance appraisal targets for the Scheme and established a corresponding appraisal model with stage-by-stage exercise, which achieves the dynamic adjustment of the equity exercise ratio against the performance growth level, reflecting the higher growth and profitability requirements while ensuring the expected incentive effect. Therefore, the indicator setting is reasonable and scientific. For the Participants, the performance targets are clear and challenging.

In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which evaluates the performance of Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the Exercise Conditions based on their performance appraisal results for the previous year.

Given the above, the appraisal system for the Incentive Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of the Incentive Scheme.

CHAPTER IX METHODS AND PROCEDURES FOR ADJUSTMENT OF THE INCENTIVE SCHEME

I. Methods of adjusting the number of Share Options

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company during the period starting from the date of the announcement of the Incentive Scheme to the completion of the exercise of Share Options by Participants, the number of Share Options shall be adjusted accordingly. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and sub-division of shares

$$Q = Q_0 \times (1+n)$$

Where: Q_0 represents the number of Share Options before the adjustment; n represents the ratio of increase per share resulting from capitalization issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per share upon capitalization issue, bonus issue and sub-division of the share capital); Q represents the adjusted number of Share Options.

(2) Rights issue

$$Q = Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Share Options before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Share Options.

(3) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Share Options before the adjustment; n represents the ratio of consolidation of shares (i.e. one share shall be consolidated into n shares); Q represents the adjusted number of Share Options.

(4) Dividend distribution and additional issues

Under the above circumstances, no adjustment will be made on the number of the Share Options.

II. Method of Adjusting the Exercise Price of the Share Options

In the event that any issue of shares by capitalisation issue, bonus issue, sub-division, rights issue or consolidation of shares or dividend distribution has been made by the Company during the period starting from the date of the announcement of the Incentive Scheme to the completion date of exercise of Share Options by Participants, an adjustment to the Exercise Price of Share Options shall be made by the Company accordingly. The adjustment method is as follows:

(1) Capitalisation issue, bonus issue and sub-division of shares

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the ratio of increase per share resulting from capitalisation issue, bonus issue and subdivision of shares; P represents the adjusted Exercise Price.

(2) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Exercise Price.

(3) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Exercise Price.

(4) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price before the adjustment; V represents the dividend per share; P represents the adjusted Exercise Price. P shall be greater than 1 after the dividend distribution.

(5) Additional issue

Under the circumstance of additional issue of new shares, no adjustment will be made on the Exercise Price of the Share Options.

III. Adjustment Procedures for the Share Option Incentive Scheme

The general meeting of the Company shall authorize the Board to adjust the number or the Exercise Price of Share Options for the above reasons. After the Board adjusts the Exercise Price or the number of Share Options according to the above provisions, it shall promptly make an announcement and notify the Participants in accordance with the relevant provisions, and perform the information disclosure procedures. The Company will comply with Rule 17.03(13) of the Hong Kong Listing Rules when conducting such adjustment, and will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and the Incentive Scheme.

If, for other reasons, it is necessary to adjust the number, the Exercise Price or other terms of Share Options, the Company will engage a law firm to give professional advice to the Board on whether such adjustment is in compliance with the Management Measures, the Articles of Association and the Incentive Scheme, which shall be subject to the consideration and approval of the general meeting.

CHAPTER X ACCOUNTING TREATMENT OF SHARE OPTIONS

In accordance with the provisions of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22- Recognition and Measurement of Financial Instruments, the Company shall measure and account for the cost of the Share Option Incentive Scheme of the Company:

I. Accounting Treatment

(1) *Grant Date*

No accounting treatment will be made by the Company to the Share Options on the Grant Date. The Company will use the “Black-Scholes” option pricing model to determine the fair value of the Share Options on the Grant Date.

(2) *Vesting Period*

The Company includes the services provided by the staff for current period in costs or expense of assets on each balance sheet date during the Vesting Period based on the best estimate of the number of exercisable Share Options and the fair value of the Share Options on the Grant Date and recognise in “Capital reserve-other capital reserves”.

(3) *Subsequent to the Exercisable Date*

No adjustment shall be made to the relevant costs or expenses, and the total amount of the owner’s equities, which have been recognized.

(4) *Exercisable Date*

Based on the exercise of the Share Options, share capital and share premium shall be recognised and the “Capital reserve-other capital reserves” recognized during the Vesting Period shall be transferred to “Capital reserve-capital premium”.

II. Estimate of Value of the Share Options

Assuming the grant of Share Options takes place in January 2024, the Company uses the “Black-Scholes” model to measure the fair value of the Share Options and estimate the fair value of 77,500,000 Share Options granted by the Company using such model on 12 December 2023, the specific parameters are as follows:

- a) Price of Underlying Shares: RMB26.88 per share (assuming the closing price of shares on 12 December 2023 is the current price of shares as at the Grant Date);
- b) Exercise Price of the Share Options: RMB27.22 per share;
- c) Validity Period: 2 years, 3 years and 4 years (adopting the period from the grant date to the last trading day of each exercise period, respectively);
- d) Historical volatility: 27.67%, 29.33% and 31.03%, respectively (the volatility of the Wind automobile manufacturing industry index for the latest two, three and four years);
- e) Risk-free rate: 2.44%, 2.46% and 2.50%, respectively (the yield of PRC treasury bond for two, three and four years);
- f) Dividend yield: 1.11% (the dividend yield of the Company for the latest 12 months before the announcement of the Share Option Incentive Scheme).

Note: The calculation results of the value of the Share Options are subject to the selection of option pricing model and a number of assumptions of the parameters used herein. Therefore, the estimated value of the Share Options may be subjective and uncertain.

III. Impact on the Operating Performance of the Company

Based on the measurement above, the total cost of 77,500,000 Share Options granted is RMB424,415,500 and details of amortization are set out below:

Currency: RMB Unit: 0'000

Number of the grant of Share Options (0'000)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
7,750.00	42,441.55	18,690.11	14,555.75	7,423.69	1,772.01

The cost of the Share Options granted under the Incentive Scheme will be estimated under the “Black-Scholes” model after the Board determines the Grant Date. Such cost estimate is only simulating estimate and does not represent the final accounting cost.

**CHAPTER XI IMPLEMENTATION PROCEDURES OF
THE SHARE INCENTIVE SCHEME****I. Procedures for the Share Option Incentive Scheme to Take Effect**

- (I) The Remuneration Committee is responsible for preparing the draft of the Incentive Scheme, Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited.
- (II) The Board shall consider the draft of the Incentive Scheme, Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, and Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited prepared by the Remuneration Committee. When the Board considers the Incentive Scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting. After the Board reviewed and approved the Incentive Scheme and performed the announcement procedure, it should submit the Incentive Scheme to the general meeting for review and approval; at the same time, it shall propose the general meeting's authorizing and executing the grant, exercise and cancellation of the Share Options.
- (III) The Supervisory Committee shall issue opinions in respect of whether the Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and Shareholders as a whole.
- (IV) The Company shall, within two trading days after the draft of the Incentive Scheme is considered and passed by the Board, publish an announcement of the Board resolution, announcing the draft and summary of the Incentive Scheme, opinion of the Independent Directors and the Supervisory Committee.
- (V) The Company should carry out self-investigation on the trading of shares of the Company by insiders during the 6 months' period prior to the announcement of the Incentive Scheme. Those who trade in the Shares of the Company while possessing inside information (except where laws, administrative regulations and relevant judicial interpretations deem not to be an insider transaction) may not become Participants. Those who leak inside information which causes an insider transaction to take place may not become Participants.
- (VI) The Company shall internally publish the names and the positions of the Participants before the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are convened through its website or other channels for a period of no less than 10 days. The Supervisory Committee shall verify the list of the Participants and thoroughly consider opinions from the public. The Company

shall publish the opinions of the Supervisory Committee on the verification and the public opinions in relation to the list of the Participants 5 days before the Share Option Incentive Scheme is considered at a general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

- (VII) When the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company are convened to vote on the Share Option Incentive Scheme, the Independent Directors shall solicit proxy voting rights from all Shareholders regarding the Share Option Incentive Scheme. At the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, it is required to vote on the content of the Share Incentive Scheme under Article 9 of the Management Measures, and the Incentive Scheme shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting. Except for the Directors, Supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the Company's Shares, the voting by other Shareholders shall be separately counted and disclosed.

When the Share Incentive Scheme is considered at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, Shareholders who are Participants or Shareholders who have a related relationship with the Participants shall abstain from voting thereon.

- (VIII) The Company shall disclose the announcement on the resolutions of the general meeting, the Share Incentive Scheme as considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and the self-examination report and legal opinions of the general meeting on the inside information insiders' trading of the Shares of the Company.
- (IX) After the Incentive Scheme has been considered and approved at the Company's general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Board of the Company shall, according to the delegation of the general meeting, grant entitlements and complete the registration and announcement procedures within 60 days from the date of consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board shall handle the grant, exercise and cancellation of the Share Options and other matters according to the delegation of the general meeting.

II. Procedures for Grant of Share Options

- (I) Upon consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Company shall sign an Agreement on the Grant of Share Options in 2023 with the

Participants in order to define their respective rights and obligations. If a Participant fails to sign an Agreement on the Grant of Share Options in 2023, he/she shall be deemed to have automatically abandoned his/her rights and obligations.

- (II) The Board shall consider and announce whether the conditions stipulated under the Share Incentive Scheme for the Participant to receive entitlements have been satisfied before the Company grants such entitlements to such Participants. The Remuneration Committee and the Supervisory Committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the Participants to receive such entitlements are fulfilled or not.
- (III) The Supervisory Committee of the Company shall verify the list of Participants on the Grant Date of the Share Options and issue their views on such verification.
- (IV) If there is any discrepancy between the grant of entitlements to the Participants and the arrangement of the Share Incentive Scheme, the Remuneration Committee, the Supervisory Committee (where there is a change of the Participants), the law firm and the independent financial adviser, if necessary, shall all express their views explicitly.
- (V) The Company shall make a grant to the Participants and complete the announcement and registration procedures within 60 days (excluding the period during which no grant of entitlements is allowed pursuant to the provisions of laws and regulations) after the Share Incentive Scheme is considered and approved at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. The Board of the Company shall disclose the implementation thereof timely by way of an announcement after completion of the registration of the grant. In the event the Company fails to complete the procedures mentioned above within such 60 days, the Scheme shall be terminated, and the Board shall disclose the reason for such failure timely and shall not be allowed to consider the Share Incentive Scheme within the following three months.
- (VI) The Company shall make an application to the stock exchange first before any entitlements are granted, and the securities registration and clearing institution will conduct registration procedure thereof upon confirmation by such stock exchange.
- (VII) The granting procedures for the reserved interests of the Company shall be executed with reference to the procedures for the first grant. The Participants of the reserved interests shall be determined within 12 months after the Scheme is considered and approved by the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. If the Participants are not determined within 12 months, the reserved interests shall lapse.

III. Procedures for the Exercise of the Share Options

- (I) The Company shall confirm whether the Participants satisfy the Exercise Conditions before the date of exercise. The Board shall consider and review whether the Exercise Conditions as set out in the Share Option Incentive Scheme have been satisfied. The Remuneration Committee and the Supervisor committee shall both express their views explicitly. The law firm shall issue legal opinions on whether the conditions for the exercise of Share Options by the Participants are fulfilled or not. For the Participants who satisfy the Exercise Conditions, the Company may provide a unified or autonomous method of exercise to the Participants according to the actual situation, and for the Participants who fail to satisfy the Exercise Conditions, the Company shall cancel their Share Options corresponding to the respective exercise. The Company shall disclose the implementation thereof timely by way of an announcement.
- (II) A Participant may transfer the shares of the Company obtained pursuant to the exercise of Share Options, but the transfer of shares held by the Directors and senior management of the Company shall be in compliance with the provisions of relevant laws, regulations and regulatory documents.
- (III) The Company shall make an application to the stock exchange first before any share option is exercised, and the securities registration and clearing institution will conduct registration procedure thereof upon confirmation by such stock exchange.
- (IV) If the registered capital is designed to change upon the exercise of Share Options by the Participants, the Company shall handle the registration procedures in relation to the changes of the Company with the industry and commerce registration department.

IV. Procedures for the Amendment of the Incentive Scheme

- (I) If the Company intends to amend the Scheme before it is considered at the general meeting, such amendment shall be considered and approved by the Board.
- (II) If the Company intends to amend the Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
 - 1. exercising the Share Options ahead of schedule;
 - 2. reducing the Exercise Price.
- (III) The Supervisory Committee of the Company shall give opinions as to whether the amendments are conducive to the sustainable development of the Company or are significantly detrimental to the interests of the Company and the Shareholders as a

whole. A law firm shall issue professional opinions as to whether the amendments to the Scheme are in compliance with the requirements of the Management Measures and relevant laws and regulations or are significantly detrimental to the interests of the Company and the Shareholders as a whole.

V. Procedures for the Termination of the Incentive Scheme

1. If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
2. If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at general meeting. If the Company's general meeting or the Board meeting considers and approves the resolution to terminate the implementation of the Share Incentive Scheme, it shall not be allowed to review Share Incentive Scheme in the following 3 months from the date of the announcement of the resolution.
3. A law firm shall issue professional opinions as to whether the termination of the Incentive Scheme by the listed company is in compliance with the provisions of Management Measures and relevant laws and regulations or is significantly detrimental to the interests of the listed company and the Shareholders as a whole.
4. Where the Incentive Scheme is terminated, the Company shall timely apply to the China Securities Depository and Clearing Corporation Limited for the cancellation of the granted Share Options after performing relevant consideration procedures.

**CHAPTER XII RESPECTIVE RIGHTS AND OBLIGATIONS OF
THE COMPANY/PARTICIPANTS**

I. Rights and Obligations of the Company

- (I) The Company shall have the right to construe and execute the Share Option Incentive Scheme and shall appraise the performance of the Participants based on the provisions of the Share Option Incentive Scheme. If a Participant fails to fulfill the Exercise Conditions required under the Share Option Incentive Scheme, the Company will cancel the Share Options which have been granted to but not yet exercised by the Participants in accordance with the principles under the Share Option Incentive Scheme.
- (II) The Company undertakes not to provide loans and financial support in any other forms, including providing guarantees for loans, to any Participants for acquiring relevant Share Options under the Incentive Scheme.

- (III) The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Share Option Incentive Scheme in accordance with the relevant provisions.
- (IV) The Company shall actively support the Participants who have fulfilled the Exercise Conditions to handle matters related to the exercise of the Share Options in accordance with the relevant requirements including those of the Share Option Incentive Scheme, the CSRC, the Stock Exchange, and China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Participants who fail to exercise the Share Options at their own will due to reasons caused by the CSRC, the stock exchange and China Securities Depository and Clearing Corporation Limited.
- (V) The Company confirms that the eligibility of the Participants under the Share Option Incentive Scheme does not represent the right of such Participants to continue to serve the Company and does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Participants is still governed by the employment contract between the parties.
- (VI) Other relevant rights and obligations under the laws, regulations and regulatory documents.

II. Rights and Obligations of the Participants

- (I) A Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company.
- (II) Source of funds shall be self-financed by the Participants.
- (III) The Share Options granted to the Participants shall not be transferred or used as guarantees or for repayment of debts.
- (IV) Any gains of the Participants generated from the Share Option Incentive Scheme are subject to the individual income tax and other taxes under relevant provisions of laws and regulations of the state.
- (V) The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions of grant or arrangements for the exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.

- (VI) Upon consideration and approval of the Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, the Company will sign an Agreement on the Grant of the Share Options in 2023 with each Participant in order to define their respective rights and obligations under the Incentive Scheme and other relevant matters.
- (VII) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

The Share Options granted to the Participants are not entitled with voting rights, decision-making rights and rights arising on the liquidation of the Company and the holders of Share Options will not involve the distribution of bonus shares and dividends before these Share Options being exercised. The Shares allotted upon exercise of the Share Options shall comply with all the articles of the Articles of Association of the Company, and shall be entitled to equal voting right, dividend right, transfer right, liquidation related rights, and other rights in all respects pro rata.

CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/ PARTICIPANTS

I. Handling Unusual Changes to the Company

- (I) The Scheme shall be terminated if any of the following events occurs to the Company:
1. change in control of the Company;
 2. merger and spin-off of the Company.
- (II) The Incentive Scheme shall be terminated immediately if any of the following events occurs to the Company, and the Share Options which have been granted to the Participants but not yet exercised shall not be exercised and shall be cancelled by the Company:
1. issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 2. issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;

4. prohibition from implementation of a share incentive scheme by laws and regulations; and
 5. other circumstances under which the Incentive Scheme shall be terminated as determined by the China Securities Regulatory Commission.
- (III) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in noncompliance with grant conditions or exercise arrangements of the Share Options, all the Share Options that have not been granted shall not be granted. The Share Options which have been granted by not yet exercised shall be cancelled by the Company uniformly. In respect of the Share Options granted to Participants and already exercised by the Participants, the Participants concerned shall return to the Company all interests granted.

The Board shall recover the gain received by the Participants in accordance with the aforesaid provisions and the relevant arrangements under the Share Option Incentive Scheme.

- (IV) In the event of any political and policy risks, serious natural calamities and other force majeure during the Vesting Period and Exercise Period of the Share Option Incentive Scheme, the occurrence of which is beyond the control of the Company's management, the Board may terminate the Share Option Incentive Scheme.

II. Handling Unusual Changes to the Participants

- (I) If the Participants are demoted but still meet the incentive conditions after demotion, the Share Options that may be exercised shall be also re-determined according to the standards corresponding to their new positions, and the Share Options so reduced shall be cancelled.

If the Participants are demoted and no longer meet the incentive conditions as stipulated in the Scheme after demotion, the Share Options that are exercisable shall be exercisable in a normal manner, and the Share Options that have been granted but not yet exercisable shall be cancelled by the Company.

- (II) If any of the following circumstances occurs to a Participant, his/her Share Options that have been granted shall be handled in accordance with the procedures under the Incentive Scheme, and the performance appraisal at the individual level will no longer be included in the Exercise Conditions:
- A. civil incapacity arising out of work;
 - B. death arising out of work.

(III) Retirement of Participants

1. Where Participants leave the Company due to retirement, their Share Options for which the exercisable conditions have been met shall be handled as per the procedures under the Incentive Scheme prior to the retirement. Share Options of the Participants granted but for which the exercisable conditions have not been met shall not be exercised and shall be canceled by the Company.
2. If the Participants are re-employed after retirement, the Share Options granted to them shall be handled fully according to the procedures specified in the Scheme before their retirement.

(IV) If any of the following circumstances occurs, the Share Options which have been granted but not yet exercised shall be cancelled by the Company:

- A. When the labor contract of a Participant is terminated or dismissed by the Company due to reasons other than the above Paragraph (II) and Paragraph (III);
- B. When a Participant holds position in a wholly-owned or controlled subsidiary of Great Wall Motor Company Limited, if Great Wall Motor Company Limited loses control of the subsidiary and the Participant still works in the subsidiary;
- C. Due to the transfer of position, the Participant will not be covered by the units and positions under the Incentive Scheme;
- D. When the Participant serves as a Supervisor or an Independent Director or holds other positions prohibited from holding the Company's Share Options due to redesignation.

(V) Where a Participant is dismissed by the Company due to the violation of laws, regulations or the Company's anti-bribery management system during his/her term of office, the Company shall cancel the Share Options granted but not exercised and the Company may require the Participant to return the proceeds from the exercised Share Options.

(VI) Where a Participant after his/her termination of office causes serious losses to the Company due to the violation of competition restrictions, violation of the Company's anti-bribery management system or major work problems identified after his/her termination of office, the Company shall have the right to require the Participant to return all the proceeds obtained under the Incentive Scheme.

(VII) In the implementation process of the Scheme, if a Participant is prohibited from being the Participant due to the circumstances as stipulated in Article 8 of the Management Measures, the Company shall not continue to grant him/her the rights and interests, and the Share Options that have been granted but not yet exercised shall not be exercised.

(VIII) Other circumstances not stated above and the handling method thereof shall be determined by the Remuneration Committee.

III. Resolution of Disputes between the Company and the Participants

Any dispute arising out of the implementation of the Share Option Incentive Scheme and/or the share incentive agreement signed by the Company and the Participants or any dispute in relation to the Share Option Incentive Scheme and/or the share incentive agreement shall be settled by negotiation and communication between the parties or through mediation conducted by the Remuneration Committee of the Board of the Company. If relevant disputes fail to be settled through the above-mentioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people's court with jurisdiction in the place where the Company is located.

CHAPTER XIV SUPPLEMENTARY PROVISIONS

I. The Incentive Scheme is subject to the consideration and approval of the general meeting, the H shareholders' class meeting and the A shareholders' class meeting of the Company.

II. This Incentive Scheme shall be interpreted by the Board of the Company.

Great Wall Motor Company Limited
Board of Directors
12 December 2023

Stock Code: 601633

Stock Abbreviation: Great Wall Motor

Convertible Bond Code: 113049

Convertible Bond Name: GWM Convertible Bond

**THE 2023 SECOND ESOP OF GREAT WALL MOTOR COMPANY
LIMITED (DRAFT)**

**Great Wall Motor Company Limited
December 2023**

STATEMENT

The Company and all members of the Board of Directors and the Supervisory Committee hereby represent that this Employee Stock Ownership Plan and its summary are free from false or misleading statements or material omissions, and assume legal responsibilities for the truthfulness, accuracy and completeness of their content.

RISK WARNING

- I. The ESOP will not be implemented until approved at the general meeting of the Company. It is uncertain whether the ESOP can be approved at the general meeting of the Company.
- II. The specific sources of the funds, contribution ratio, and implementation plan of the ESOP are preliminary, and it is uncertain whether the implementation can be completed.
- III. If the total amount of the employee's payments for subscription is low, the ESOP may not be established; if the total amount is insufficient, the scale of the ESOP may be lower than the estimated scale.
- IV. The Company-level performance appraisal indicators set in this Plan do not constitute a commitment to the completion of the Company's future performance, and the completion of the relevant performance appraisal indicators is affected by various factors such as the macroeconomic environment, capital market, and international/domestic political forms, and faces uncertainties.
- V. During the appraisal vesting period, the ownership of the Plan is determined based on the achievement of the Company's performance indicators and the holder's appraisal results. There is the possibility of the failure of the Plan to be vested in the holder due to that the appraisal indicators of the Company or the holder are not fully achieved.
- VI. Stock prices are affected by various complex factors such as the Company performance, macroeconomic cycle, international/domestic political and economic situation and investors' psychology. Therefore, stock trading is an investment activity with certain risks for which investors should be fully prepared.
- VII. The amortization of costs or expenses arising from the implementation of this Plan may have impacts on the Company's net profit for each year during the appraisal period and investors should pay attention to it.
- VIII. The Company will disclose the relevant progress in accordance with regulations. Investors are advised to make cautious decisions, and pay attention to investment risks.

IMPORTANT NOTICE

The terms and abbreviations in this section are consistent with the “DEFINITIONS” section.

- I. The Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft) is prepared in accordance with the provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation, other relevant laws, regulations, normative documents, and the Articles of Association of Great Wall Motor Company Limited.
- II. The Employee Stock Ownership Plan follows the principle of legal compliance, voluntary participation and risk-taking, and no employees are forced to participate in the ESOP, in such forms as mandatory distribution and allocation.
- III. The total number of Participants of the ESOP is expected to be 31, including Directors (excluding independent Directors), Supervisors and senior management, core management and key employees of the Company, among which, 4 are Directors (excluding independent Directors), Supervisors or senior management of the Company, and 27 are other employees in aggregate. The final number of Participants and name list are subject to the selection and allocation by the Company and the actual payment by employees.
- IV. The source of funds for the ESOP shall be the legitimate salary of the employees, their self-raised funds and funds raised from other sources as permitted under relevant laws and regulations.
- V. The shares of the ESOP come from the ordinary A shares of Great Wall Motor in the Company’s special securities account for repurchase, which is expected to be no more than 5,248,643 shares, representing 0.0618% of the total share capital of the Company. The final number of Shares held by this ESOP shall be subject to the actual number of Shares transferred, and the Company will fulfill information disclosure obligations according to the relevant requirements in a timely manner.

Upon completion of the implementation of the ESOP, the total number of all valid shares held under the ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual Participant shall not exceed 1% of the total share capital of the Company in aggregate. The total number of the shares held under the ESOP does not include the shares acquired by Participants prior to the initial public offering for listing, the shares purchased by Participants on the secondary market, and the shares acquired by Participants through equity incentives.

- VI. The ESOP will transfer the ordinary A shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB13.61 per share, which is 50% of average trading price of the Company's shares for the 20 trading days preceding the announcement of the ESOP (draft).

The transfer price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following:

- (1) 50% of the average trading price of the Company's A Shares on the trading day preceding the announcement of the ESOP (draft), being RMB13.02 per share;
- (2) 50% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement of the ESOP (draft), being RMB13.61 per share.

In the event of any ex-rights or ex-dividend matters of the Company, such as the distribution of dividends or shares, conversion of capital reserve into share capital, during the period from the pricing reference date to the date of transferring the Underlying Shares to the ESOP, the above transfer price shall be adjusted accordingly.

- VII. The term of the ESOP shall be 48 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the Underlying Shares has been transferred to the ESOP. The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the Holders holding more than two-thirds (inclusive) of the total units and attending the Holders' Meeting, and as considered and approved by the Board.
- VIII. The lock-up period of the ESOP is 12 months. The equity of Underlying Shares held shall be unlocked in three tranches. The time point of unlocking is 12 months, 24 months and 36 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the Underlying Shares to the ESOP, and the proportion of the Underlying Shares to be unlocked for each tranche is 40%, 30% and 30%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the Participants.
- IX. The ESOP will be managed by the Company itself. The highest authority for the internal management of the ESOP is the Holders' Meeting. A Management Committee will be established for the ESOP to supervise the daily management of the ESOP and exercise the rights of Shareholders on behalf of the Holders, effectively safeguarding the legal rights and interests of the Holders of the ESOP.

- X. After the ESOP is considered and approved by the Board, the Company shall convene a general meeting to consider the ESOP. The implementation of the ESOP is subject to approval at general meeting of the Company. Such general meeting will adopt the combination of on-site voting and online voting.
- XI. The financial and accounting treatment, taxation and other issues incurred in the implementation of the ESOP by the Company shall be subject to the relevant financial system, accounting standards and tax regulations, and the relevant personal income tax to be paid by the Holders due to the implementation of the ESOP shall be borne by the employees themselves.
- XII. The shareholding structure of the Company will remain in compliance with the listing requirements after the implementation of the ESOP.

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

Great Wall Motor or Company	GREAT WALL MOTOR COMPANY LIMITED
Shares of the Company	ordinary A Shares of Great Wall Motor Company Limited
Underlying Shares	the ordinary A shares repurchased by the Company and to be transferred to the ESOP through non-trading transfer or other means permitted by laws and regulations
Plan or ESOP	the Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (draft)
Management Measures	the Second Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited
Holders/Participants	employees of the Company and its subsidiaries who shall participate in the ESOP as determined by the Board
Holders' Meeting	meeting of holders of the ESOP
Management Committee	the management committee of the ESOP
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Securities Depository and Clearing Corporation	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
Guiding Opinions	the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies

Regulatory Guidelines	the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation
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Articles of Association	articles of association of Great Wall Motor Company Limited
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RMB, RMB'0,000	RMB yuan, RMB ten thousand yuan
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Notes:

1. Unless otherwise stated, the financial data and financial indicators referenced herein shall mean the financial data prepared on a consolidation basis and the financial indicators calculated based on such financial data, respectively.
2. Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

CONTENTS

STATEMENT	186
RISK WARNING	187
IMPORTANT NOTICE	188
DEFINITIONS	191
CHAPTER 1 GENERAL PROVISIONS	194
CHAPTER 2 PARTICIPANTS AND DETERMINATION CRITERIA OF THE ESOP	195
CHAPTER 3 SOURCE OF FUNDS, SOURCE AND NUMBER OF SHARES AND TRANSFER PRICE OF THE ESOP	197
CHAPTER 4 DURATION, LOCK-UP PERIOD, PERFORMANCE APPRAISAL AND TRADING RESTRICTIONS OF THE ESOP	200
CHAPTER 5 MANAGEMENT MODEL OF THE ESOP	203
CHAPTER 6 ASSET COMPOSITION AND MEASURES FOR THE DISPOSAL OF INTERESTS OF THE ESOP	211
CHAPTER 7 AMENDMENT TO AND TERMINATION OF THE ESOP	214
CHAPTER 8 ESOP'S PARTICIPATION IN FINANCING ARRANGEMENTS OF THE COMPANY	214
CHAPTER 9 RELATED-PARTY RELATIONSHIP AND ACTING-IN- CONCERT RELATIONSHIP UNDER THE ESOP	215
CHAPTER 10 ACCOUNTING TREATMENT OF THE ESOP	215
CHAPTER 11 PROCEDURES FOR IMPLEMENTATION OF THE ESOP	216
CHAPTER 12 OTHER IMPORTANT MATTERS	217

CHAPTER 1 GENERAL PROVISIONS

The ESOP (Draft) was formulated by the Company in accordance with the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association.

I. Purposes of the ESOP

- (I) To further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, and ensure the Company's long-term, stable and healthy development;
- (II) To improve mechanisms for sharing benefits between workers and owners, align the long-term interests of the Company, Shareholders, and employees, and promote the Company's long-term and sustainable development, so as to bring returns to Shareholders;
- (III) To attract and to retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company.

II. Basic principles followed by the ESOP***(I) The principle of compliance with laws and regulations***

When implementing the ESOP, the Company shall strictly follow the procedures prescribed by laws and administrative regulations, and carry out information disclosure in a true, accurate, complete and timely manner. No one shall use the ESOP to commit securities fraud such as insider trading, manipulation of the securities market, etc.

(II) The principle of voluntary participation

The Company's implementation of the ESOP shall follow the principles of legal compliance, voluntary participation and self-bearing of risks, and there is no forced participation of employees by way of apportionment, mandatory distribution, etc.

(III) Risk self-bearing principle

Participants of the ESOP shall be responsible for their own profits and losses, bear their own risks and enjoy equal rights and interests as other investors.

CHAPTER 2 PARTICIPANTS AND DETERMINATION CRITERIA OF THE ESOP**I. Legal Basis for Determining Participants**

The Participants of this ESOP are determined by the Company in accordance with the provisions of the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

II. Determination of the Scope of Participants

Participants under the ESOP shall be either:

- (I) Directors (excluding independent Directors), Supervisors and senior management of the Company;
- (II) core management and key employees.

All the Participants must have entered into labor contracts or employment contracts with the Company or its subsidiaries during the term of the ESOP.

Qualified employees' participation in the ESOP complies with the principles of lawfulness, voluntary participation and self-bearing of risk. There is no apportionment, forced distribution or other circumstances in which employees are forced to participate in the ESOP. The Company will decide the short list of Participants from qualified employees.

III. Verification of Participants

The Supervisory Committee of the Company shall verify the list of Participants and state the verification results at the general meeting. The lawyers engaged by the Company shall issue their legal opinions on whether the qualifications and other conditions of the Participants comply with the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, administrative regulations, rules, normative documents and the Articles of Association as well as the ESOP.

IV. Allocation under the ESOP

The total number of Participants of the ESOP is 31, among which 4 are Directors (excluding independent Directors), Supervisors and senior management of the Company, and 27 are other employees in aggregate.

The ESOP is held in units, with 1 unit for 1 share. The number of Underlying Shares under the ESOP will be no more than 5,248,643 shares.

The Participants of the ESOP and the allocation of shares are as follows:

No.	Participants	Shares to be allocated (shares)	Proposed proportion to the total shares
1	Mu Feng (general manager), Zhao Guo Qing (vice chairman, deputy general manager) and Li Hong Shuan (executive Director, chief financial officer, the secretary to the Board) and Lu Cai Juan (Chairman of the Supervisory Committee)	1,520,000	28.9599%
2	27 core management and key employees	3,728,643	71.0401%
	Total (31 Participants)	5,248,643	100%

Note: The final number of Participants, list of names and the results of allocation under the ESOP shall be subject to the actual subscription.

Upon the implementation of the ESOP, the total number of all valid shares held under the ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual Participant shall not exceed 1% of the total share capital of the Company in aggregate. The total number of the shares held under the ESOP does not include the shares acquired by employees prior to the initial public offering for listing, the shares purchased by Participants on secondary market, and the shares acquired by Participants through equity incentives. No Shareholders holding more than 5% of the Company's shares or de facto controllers participate in the ESOP.

If the Participants fail to pay the subscription funds on time and in full, they shall be deemed to have automatically waived the subscription rights of corresponding shares. The Board may: (1) adjust the size of the Participants of the ESOP and the actual number of the Underlying Shares to be transferred; or (2) directly grant such equity interest in shares to other qualified employees without adjusting the size of the Participants of the ESOP.

**CHAPTER 3 SOURCE OF FUNDS, SOURCE AND NUMBER OF SHARES AND
TRANSFER PRICE OF THE ESOP****I. Source of Funds**

The source of funds for the ESOP shall be the legitimate salary of the employees, their self-raised funds and funds raised from other sources as permitted under relevant laws and regulations.

Participants of the ESOP shall pay the subscription amount in full and on time, and the payment schedule of the ESOP will be notified and arranged by the Company. Any holder who fails to pay the subscription amount on time and in full will automatically lose his/her corresponding right of subscription.

II. Source and Number of Shares***(I) Source of Shares***

The shares of the ESOP come from the ordinary A shares of Great Wall Motor repurchased in the Company's special securities account for repurchase. After the ESOP is considered and approved by the general meeting, repurchased shares of the Company will be transferred to the ESOP through non-trading transfer and other methods permitted by laws and regulations.

On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 15 July 2022. As of 15 September 2022, the Company had repurchased 12,000,089 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.13% of the Company's total share capital. The highest repurchase price was RMB35.04 per share, the lowest repurchase price was RMB30.22 per share, and the average repurchase price was RMB32.71 per share, with a total amount of funds used of RMB392,565,200 (net of transaction expenses). The repurchase plan has been completed.

On 14 October 2022, the Company held the 51st meeting of the seventh session of the Board and the 44th meeting of the seventh session of the Supervisory Committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 20 million shares (inclusive) and not more than 40 million shares (inclusive). For details, please

refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 16 October 2022. As of 21 February 2023, the Company had repurchased 27,999,954 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.32% of the Company's total share capital. The highest repurchase price was RMB31.00 per share, the lowest repurchase price was RMB27.60 per share, and the average repurchase price was RMB29.35 per share, with a total amount of funds used of RMB821,854,000 (net of transaction expenses). The repurchase plan has been completed.

(II) Number of Shares

The number of Underlying Shares under the ESOP shall be no more than 5,248,643 shares, representing 0.0618% of the total share capital of the Company. The final number of Underlying Shares held by the ESOP shall be subject to the actual number of shares transferred, and the Company will fulfill information disclosure obligations according to the requirements of relevant laws and regulations in a timely manner.

During the period between the pricing reference date and the date on which the shares repurchased by the Company are transferred to the ESOP through non-trading transfer or other methods permitted by laws and regulations, in the event of any ex-rights or ex-dividend matters of the Company, such as conversion of capital reserve into share capital and distribution of shares or dividends, the number and price of the Underlying Shares shall be adjusted accordingly. After the ESOP (draft) is approved at the general meeting, the Underlying Shares held in the Company's special account for repurchase will be obtained through non-trading transfer and other means permitted by laws and regulations.

III. Explanation on the Transfer Price, Pricing Basis and the Reasonableness of Price

(I) Transfer Price and Pricing Basis

The ESOP will transfer the ordinary A shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB13.61 per share, which is 50% of average trading price of the Company's shares for the 20 trading days preceding the announcement of the ESOP (Draft).

The transfer price shall not be lower than the par value of the shares and shall not be lower than the higher of the following:

1. 50% of the average trading price of the Company's A Shares for the trading days preceding the announcement of the ESOP (Draft), being RMB13.02 per share.
2. 50% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement of the ESOP (Draft), being RMB13.61 per share.

In the event of any ex-rights or ex-dividend matters of the Company, such as distribution of dividends or shares, conversion of capital reserve into share capital, during the period from the pricing reference date to the date of transferring the Underlying Shares to the ESOP, the above transfer price shall be adjusted accordingly.

(II) Explanation on the Reasonableness of Price

In recent years, the competition in the industry in which the Company operates has been increasingly intense despite new development opportunities being emerging. How to achieve better results in the fierce industry competition depends on the quality and competence of the Company's talents to a large extent. On top of the existing remuneration and incentive system, the Company further improves the long-term incentive mechanism making the interests of employees aligned with that of Shareholders, which is conducive to fully mobilizing the initiative, enthusiasm and creativity of existing employees, and also attracting high-skilled talents in the industry to join the Company and enhancing its core competitiveness.

The Participants to the ESOP include Directors, Supervisors, senior management, core management and key employees of the Company, all of whom are the key employees in the strategic development and industrial layout of the Company and play a vital role in the overall performance and long-term sustainable and stable development of the Company. With reference to relevant regulations and market practices and taking into consideration the development trend of the industry and the actual operation situation of the Company, the Company determined that the transfer price of the ESOP is RMB13.61 per share.

Targets of the Company's performance appraisal and individual performance appraisal have been set based on the principle of reciprocity between incentive and restraint. The equities will be unlocked in tranches and can only be unlocked if the targets of the Company's performance appraisal and individual performance appraisal have been achieved. The performance appraisal target of the Company is set to be challenging, and the gains of the Participants depend on the achievement of the future performance of the Company, which ensures that the long-term interests of employees and Shareholders are aligned, so that it will bring positive impact on the achievement of the Company's development goals and the rights and interests of all Shareholders, and will not prejudice the interests of the Company and its Shareholders as a whole.

Based on the foregoing, the pricing principle of the ESOP is in line with the actual incentive needs of the Company, which can further stimulate the enthusiasm and potential of the Company's employees, and promote the sustainable and stable development of the Company, thus is considered reasonable and scientific and is aligned with the basic principle that Participants "shall be responsible for their own profits and losses, bear their own risks, and have equal rights with other investors".

**CHAPTER 4 DURATION, LOCK-UP PERIOD, PERFORMANCE APPRAISAL AND
TRADING RESTRICTIONS OF THE ESOP****I. Duration**

- (I) The term of the ESOP shall be 48 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the Underlying Shares has been transferred to the ESOP.
- (II) The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the Holders holding more than two-thirds (inclusive) of the total units and attending the Holders' Meeting, and as considered and approved by the Board.

II. Lock-up Periods

The lock-up period of the ESOP is 12 months commencing from the date when the Company announces the registration of the transfer of the last tranche of the Underlying Shares to the ESOP. The equity of Underlying Shares held shall be unlocked in three tranches. The time point of unlocking is 12 months, 24 months and 36 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the Underlying Shares to the ESOP, and the proportion of the Underlying Shares to be unlocked for each tranche is 40%, 30% and 30%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the Participants.

Regarding the Underlying Shares transferred to the ESOP, the shares derived from the situations including distribution of dividends and the capitalization of capital reserves of the Company, etc. shall also be subject to the above-mentioned lock-up arrangements.

III. Performance Appraisal**(I) Company-level performance appraisal**

The ESOP is based on three accounting years from 2024 to 2026 as the performance appraisal years, and the proportion to be unlocked at the company level is determined according to the completion of the Company's performance targets in each appraisal year. The performance appraisal indicators for each year are shown in the table below:

Selection of performance indicators	Sales volume	Net profits
Weighting of each performance indicator	50%	50%
Achievement rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
First unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall be not less than RMB7.2 billion in 2024
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
Third unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

Note: The "net profit" mentioned above refers to the audited net profit attributable to shareholders of the listed company. The "sales volume" mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

Completion rate of performance targets (P)	Unlocking proportion at company level (X)
$P \geq 100\%$	$X=100\%$
$80\% \leq P < 100\%$	$X=P$
$P < 80\%$	$X=0$

If the company-level performance appraisal indicators meet the unlocking conditions, the equity of Underlying Shares for such unlocking period will be unlocked in proportion accordingly. The portion that is not unlocked shall be recovered by the Management Committee. If the company-level performance appraisal indicators fail to meet the unlocking conditions, the equity of Underlying Shares for such unlocking period shall not be unlocked, and shall be recovered by the Management Committee. The recovery price of the above equity interest that is not unlocked shall be equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period. The amount of recovery price shall be returned to the Holders after the corresponding Underlying Shares are disposed of as appropriate by the Management Committee. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.

(II) Individual-level performance appraisal

The ESOP will assess unlocking proportion of individual (N) in accordance with the results of the individual-level performance appraisal, with details as follows:

Annual performance appraisal results	A	B	C	D	E
Individual-level unlocking proportion (N)	100%	100%	80%	0%	0%

Subject to the achievement of the above-mentioned company-level performance appraisal indicators, the actual amount of the Underlying Share equity to be unlocked by the Participants for the period = the amount of Underlying Share equity to be unlocked by the Participants for the period \times the company-level unlocking proportion (X) \times the individual-level unlocking proportion (N).

The equity of Underlying Share that cannot be unlocked due to the results of the individual-level performance appraisal shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and returned the amount of

recovery price to the Holders after disposing the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.

IV. Trading Restrictions of the ESOP

The implementation of ESOP will strictly abide by the market trading rules, and comply with the provisions of the CSRC and the SSE on the prohibition of trading of stocks during the sensitive period of information. No person is permitted to engage in insider trading, market manipulation and other securities fraud through the ESOP. The ESOP shall not deal in the shares of the Company during the following periods:

- (I) the period commencing from 60 days prior to the publication of annual reports or 30 days prior to the publication of semi-annual and quarterly reports of the Company, or in the event of delay in publishing the annual reports for special reasons, 60 days prior to the original date of publication and up to the date of publication of annual reports, or in the event of delay in publishing the semiannual and quarterly reports for special reasons, 30 days prior to the original date of publication of semi-annual and quarterly reports and up to the date of publication;
- (II) the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- (III) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with laws;
- (IV) other periods as stipulated by the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

CHAPTER 5 MANAGEMENT MODEL OF THE ESOP

The ESOP shall be managed by the Company itself. The Holders' Meeting is the highest internal management authority of the ESOP. The Holders' Meeting shall establish the Management Committee and authorize the Management Committee as the management body of the ESOP to supervise the daily management of the ESOP and exercise Shareholders' rights on behalf of the Holders. The Board is responsible for drafting and amending the draft of the Plan and handling other relevant matters of the ESOP within the scope authorized by the general meeting.

I. The Holders

(I) Participants will become the Holders of the ESOP after being granted with the units of the ESOP. The rights of Holders are as follows:

1. enjoying the rights and interests in the assets of the Plan according to their units of the Plan;
2. participating in or appointing their agents to attend the Holders' Meeting, and exercise the corresponding voting rights;
3. supervising the management of the ESOP and making suggestions or inquiries;
4. waiving the voting right in the Company's Underlying Shares indirectly held through their participation in the ESOP, and authorizing the Management Committee to exercise voting rights and other rights on behalf of all Holders;
5. other rights as stipulated by laws, administrative regulations, departmental rules, or the ESOP.

(II) The obligations of Holders are as follows:

1. abiding by laws, administrative regulations, departmental rules, and relevant provisions of the ESOP and Management Measures;
2. during the term of the ESOP, except as reviewed and approved by the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposal;
3. undertaking the relevant risks of the ESOP based on their units of the ESOP;
4. bearing the corresponding taxes stipulated by the State and other relevant laws and regulations as a result of participation in the ESOP;
5. other obligations as specified by laws, administrative regulations and the ESOP.

II. Holders' Meeting

(I) Holders' Meeting of the ESOP is comprised of all Holders of the ESOP and is the internal management authority of the ESOP. The Holders may attend and vote at Holders' meetings in person, or entrust a proxy to attend and vote on his/her behalf. The expenses of travel, board and lodging, etc. incurred by the Holders and their proxies to attend the Holders' Meeting shall be borne by the Holders themselves.

(II) The following matters shall be considered and discussed at the Holders' Meeting:

1. Election and removal of any members of the Management Committee;
2. Amendment, extension and early termination of the term of the ESOP;
3. During the term of the ESOP, when the Company raises funds by placement of Shares, issuance of new Shares, etc., the Management Committee will discuss whether to participate and submit to the Holders' Meeting for consideration;
4. Amendment to the Management Measures;
5. Authorization to the Management Committee to supervise the daily management of the ESOP;
6. Authorization to the Management Committee to exercise Shareholders' rights;
7. Authorization to the Management Committee to take charge of the collaboration with the professional advisors;
8. Authorization to the Management Committee to be responsible for the liquidation and distribution of assets of the ESOP;
9. Other matters deemed to be necessary for consideration at the Holders' Meeting by the Management Committee.

(III) Convention Procedures of the Holders' Meeting

1. The first Holders' Meeting shall be convened by the Chairman of the Company or its designated person, and the subsequent Holders' Meeting will be convened by the Management Committee. When the chairman of the Management Committee is unable to perform his/her duty, he/she shall appoint a member of the Management Committee to preside over the meeting.
2. To convene a Holders' Meeting, the Management Committee shall send out a notice of meeting 3 days prior to the meeting to all the Holders through direct delivery, mail, facsimile, e-mail or other means. The notice of meeting shall at least include the following details:
 - 1) time and location of the meeting;
 - 2) means of convening;
 - 3) matters to be considered (proposals);

- 4) convener and presider of the meeting, proposer of and written proposal for the provisional meeting;
- 5) necessary materials for the meeting;
- 6) requirements as to the Holders to attend the meeting in person or entrust other Holders to attend the meeting on their behalf;
- 7) contact person and contact information;
- 8) date of issuance of the notice.

In case of emergency, a Holders' Meeting can be convened by a verbal notice. The verbal meeting notice shall at least include the above clauses of (1) and (2) and an explanation on the emergency and necessity to convene a Holders' Meeting.

(IV) Voting Procedures of the Holders' Meeting

1. After each proposal has been fully discussed, the host shall invite Holders present at the meeting to vote in a timely manner. The host may also invite the Holders present at the meeting to vote only after all proposals have been discussed. Voting shall be carried out by written ballot or other methods of voting;
2. The Holders of the ESOP shall exercise the corresponding voting rights entitled by their units;
3. The Holders may propose to vote "agree, disagree or abstain". The Holders present at the meeting shall select one of the voting options, and any vote with no selection or more than two selections will be deemed as abstention. Unfilled, incorrectly filled, or illegible voting ballots or uncast ballots shall be deemed as abstention from voting. Any vote made after the host announces the voting result or after the prescribed voting time shall not be counted;
4. The host of the meeting shall announce the voting results at the venue of the meeting. Unless otherwise stipulated by the Plan, a proposed resolution shall become a valid resolution of the Holders' Meeting upon approval by more than 1/2 (inclusive) of the total units held by the Holders present at the Holder's Meeting;
5. In the event that a proposal of the Holders' Meeting should be submitted to the Board and the general meeting of the Company for consideration, it shall be submitted to the Board and the general meeting of the Company for consideration in accordance with the provisions of the Articles of Association;

6. Holders who individually or collectively hold over 30% of the units under the ESOP may propose to convene a Holders' Meeting;
7. The presider of the meeting shall arrange for record keeping for the Holders' Meeting.

III. Management Committee

- (I) The ESOP shall set up a Management Committee which is responsible for the ESOP, is the daily supervision and management organization of the ESOP and exercises or authorizes the asset management agencies to exercise the Shareholders' rights on behalf of Holders.
- (II) The Management Committee of the ESOP comprises of five members including one chairman. All members of the Management Committee shall be elected by the Holders' Meeting. The chairman of the Management Committee shall be elected by more than half of all members of the Management Committee. The term of office of members of the Management Committee shall be the term of the ESOP.
- (III) Members of the Management Committee have the following fiduciary duties to the ESOP in accordance with laws, administrative regulations and the Management Measures:
 1. not to take advantage of their position and authority to accept bribes or other illegal income; not to occupy any property of the ESOP;
 2. not to misappropriate funds of the ESOP;
 3. without the consent of the Management Committee, not to open account under his or her own name or others' names for depositing the assets or funds of the ESOP;
 4. without the consent of the Holders' Meeting, not to lend the funds of the ESOP to others or provide guarantee for others with the properties of the ESOP;
 5. not to take advantage of their positions and authority to jeopardize the interests of the ESOP;
 6. other obligations as specified by laws, administrative regulations, departmental rules and the Management Measures;

Where a member of the Management Committee causes any loss to the ESOP due to his or her breach of fiduciary duties, such member shall be liable for indemnification.

- (IV) The Management Committee shall discharge the following functions and authority:
 1. convene the Holders' Meetings;

2. supervise the daily management of the ESOP on behalf of all Holders;
 3. handle matters in relation to the grant of the units under the ESOP;
 4. exercise the Shareholders' rights on behalf of all Holders and manage the assets of the ESOP;
 5. manage the allocation of interests of the ESOP, and decide on the disposal, sales and allocation and other matters of the Underlying Shares upon the expiry of the lock-up period of the ESOP;
 6. the Management Committee may engage professional institutions such as securities companies, fund management firms, law firms and accounting firms, to provide consulting services for the ESOP, and is responsible for the collaboration with them;
 7. sign relevant agreements or contracts with external parties on behalf of the ESOP;
 8. decide on the disposal of the units recovered under the ESOP;
 9. handle inheritance registration of the units under the ESOP;
 10. other functions and authority as delegated by the Holders' Meeting;
 11. other responsibilities to be performed by the Management Committee according to relevant laws and regulations and the provisions of the Plan.
- (V) The chairman of the Management Committee shall discharge the following functions and authority:
1. convene and preside over the Holders' Meetings and the Management Committee meetings;
 2. supervise and inspect the execution of resolutions of the Holders' Meetings and the Management Committee meetings;
 3. other functions and authority as delegated by the Management Committee.

(VI) Convention Procedures for the Management Committee Meetings

The Management Committee meetings shall be convened by the chairman of the Management Committee. Notice of the meeting shall be sent to all members of the Management Committee 3 days prior to the meeting. The content of the notice shall include the following:

1. date and venue of the meeting;
2. reasons for and agenda of the meeting;
3. necessary materials for the meeting;
4. date of issuance of the notice.

(VII) Convention and Voting Procedures for the Management Committee Meetings

1. Management Committee meetings shall be held only when more than half of the members of the Management Committee are present;
2. A resolution made by the Management Committee must be approved by more than half of all members of the Management Committee;
3. One member of the Management Committee will enjoy one vote regarding the voting on resolutions at the Management Committee meetings, and the voting shall be conducted by open ballot;
4. On the premise that the members of the Management Committee can fully express their opinions, the Management Committee meetings can be held by fax, etc. to adopt resolutions which shall be signed by the members of the Management Committee attending the meeting;
5. The members of the Management Committee shall attend the Management Committee meetings in person. If the members of the Management Committee are unable to attend the meeting, they may entrust other members of the Management Committee to attend the meeting on their behalf in writing. The power of attorney shall specify the name, entrusting matters, scope of authorization and term of validity, and shall be signed or sealed by the principal. Members of the Management Committee who attend the meeting on their behalf shall exercise the rights of members of the Management Committee within the scope of authorization. If a member of the Management Committee does not attend a meeting of the Management Committee or entrust a proxy to attend, he/she shall be deemed to have given up his/her right to vote at the meeting;

6. The Management Committee shall make minutes of the decisions on the matters discussed at the meeting, which shall be signed by the members of the Management Committee present at the meeting.

IV. Authorization to the Board by the General Meeting

The general meeting authorizes the Board to handle all matters in relation to the ESOP in full discretion, including but not limited to the following:

- (I) to authorize the Board to handle matters in relation to the establishment, amendment and termination of the ESOP;
- (II) to authorize the Board to make decisions on the term extension of the ESOP;
- (III) to authorize the Board to go through the procedures for the securities accounts and capital accounts involved in the ESOP and to handle all matters concerning the lock-up and unlocking of the shares purchased under the ESOP;
- (IV) upon approval of the ESOP at the general meeting, the Board is authorized to make corresponding adjustments to the ESOP accordingly in the event of any adjustments to the relevant laws, regulations or policies during the term of implementation;
- (V) to authorize the Board to change the Participants and the determination criteria for the ESOP;
- (VI) to authorize the Board to sign agreements and documents related to the ESOP;
- (VII) to authorize the Board to handle other matters necessary for the ESOP, except for those rights to be exercised by the general meeting that are expressly provided in the relevant documents.

The above authorizations shall take effect from the date when the ESOP is considered and approved at the general meeting of the Company to the completion of the implementation of the ESOP. The above-mentioned authorized matters, except for those matters need to be resolved by the Board as expressly required by laws, administrative regulations, rules of the CSRC, the ESOP and the Articles of Association, may be directly handled by the chairman of the Board or any appropriate person authorized by the chairman on behalf of the Board.

**CHAPTER 6 ASSET COMPOSITION AND MEASURES FOR THE
DISPOSAL OF INTERESTS OF THE ESOP****I. Asset Composition of the ESOP**

- (I) The interests corresponding to the Underlying Shares held by the ESOP;
- (II) Cash deposits and interest accrued thereon;
- (III) Other assets, such as gains derived from asset management.

The assets under the ESOP are independent of the assets owned by the listed company. The listed company shall not include the assets of the ESOP into its own assets. The assets and revenues obtained from the management, utilization, or other means of the ESOP shall be included in the assets of the ESOP.

II. Disposal of the Holders' Interests

- (I) Within the term of the ESOP, unless otherwise stipulated in laws, administrative regulations, and departmental rules or upon approval of the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposals.
- (II) Within the lock-up period of the ESOP, the Holders shall not request the distribution of rights and interests of the ESOP.
- (III) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the ESOP due to the holding of shares of the Company shall be locked up together. The unlocking period of such shares is the same as the corresponding Underlying Shares.
- (IV) Upon expiration of the lock-up period of the ESOP, the Management Committee shall realize the assets under the ESOP successively and distribute them to the Holders in proportion to their units; or the Management Committee shall apply to the securities depository and clearing institution to transfer the Underlying Shares to the personal account of the Holders according to the proportion of their units pursuant to the requirements of relevant laws and regulations for the Holders to dispose at their own discretion.
- (V) If all Underlying Shares held under the ESOP are sold and the liquidation and distribution of the assets under the ESOP have been completed according to the preceding paragraph, the ESOP shall be terminated immediately upon being approved by the Management Committee and filed with the Board.

(VI) During the term of the ESOP, cash dividends received by the ESOP for holding the Underlying Shares are included in the assets of the ESOP. The Management Committee has the right to decide whether to allocate cash dividends.

(VII) During the term of the ESOP, if cash or other distributable proceeds are obtained from the sale of the Company's shares held by the ESOP, they shall be used in priority to pay the relevant taxes, transaction costs and other expenses incurred by the ESOP.

(VIII) Disposal of Interests under the ESOP in Special Circumstances

1. During the term of the ESOP, in the event of demotion and removal of any Holder, the Management Committee shall have the right to re-approve the locked units which could be held by such Holder; if the locked units held by the Holder are more than the locked units after re-approval, the Management Committee shall be entitled to recover the surplus units at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and return the amount of recovery price to the Holders after disposing of the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company; the Holder may continue to enjoy the unlocked share equity under the ESOP held by him/her.
2. If any Holder is involved in one of the following circumstances within the term of the ESOP, the units under the ESOP held by the Holder shall remain the same, the unlocking procedures shall be conducted as stipulated in the ESOP, and their individual performance appraisal shall not be included in the unlocking conditions:
 - 1) where the Holder loses working capacity due to work;
 - 2) where the Holder died due to work (his/her legal heirs will inherit and continue to enjoy such share equity and such heirs are not subject to the qualifications to participate in the ESOP).
3. If the Holder retires within the term of the ESOP:
 - 1) if the Holder leaves the Company due to retirement, he/she shall continue to enjoy the rights of the unlocked units; the units granted but locked shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and returned the recovery price to the Holders after disposing of the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.

- 2) where the Holder is reappointed after his/her retirement, the granted units shall be handled in accordance with the procedures and appraisal conditions as stipulated in the ESOP.
4. Where the Holder terminates the employment contract with the Company other than due to 2 and 3 above during the term of the ESOP, the Management Committee has the right to disqualify the Holder from participating in the ESOP, recover all the units held by such Holder (whether unlocked or not) at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and return the amount of recovery price to the Holders after disposing of the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.
5. During the term of the ESOP, if one of the following circumstances occurs, the Management Committee has the right to disqualify the Holder from participating in the ESOP, and the Holder shall continue to enjoy the rights of the unlocked units; the units granted but locked shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and return the amount of recovery price to the Holders after disposing of the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.
 - 1) where the Holder ceases to work in Great Wall Motor but still holds a position within the group due to job rotation;
 - 2) where the Holder holds a position in a wholly-owned or majority controlled subsidiary of Great Wall Motor, Great Wall Motor loses control over such subsidiary and the Holder still works in such subsidiary;
 - 3) other circumstances as determined by the Management Committee.
6. During the term of the ESOP, in the event of violation of laws, regulations and the Company's anti-bribery management system resulting that the Company terminates the labor relationship or negligence or dereliction of duty by the Holder during his/her term, the Management Committee has the right to disqualify the Holder from participating in the ESOP, recover all the units held by such Holder (whether unlocked or not) at a price equal to the lower of the original contribution for the Underlying Shares corresponding to the units and the selling amount, and return the amount of recovery price to the Holders after disposing of the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning

to the Holders, the remaining amount shall be attributable to the listed company; where significant economic losses and serious harm are caused to the Company, the Company has the right to investigate the legal liability of the Holder.

7. If the Holder violates non-competition restrictions after leaving the Company or is found to be involved in the disclosure of business secrets of the Company, serious violation of laws and regulations, violation of the Company's anti-bribery management system and other negligence or dereliction of duty, causing serious economic losses or damaging the reputation of the Company, the Company shall have the right to request the Holder to return all his/her income from the units under the ESOP and reserve the right to hold such Holder liable for legal responsibilities.
8. During the term of the ESOP, in the event of other circumstances not expressly agreed in the ESOP or the Management Measures, the disposal of the interests held by the Holder under the ESOP shall be determined by the Management Committee.

CHAPTER 7 AMENDMENT TO AND TERMINATION OF THE ESOP

I. Amendment to the ESOP

Any amendment to the ESOP shall be passed by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and be submitted to the Board for consideration and approval.

II. Termination of the ESOP

- (I) The ESOP will be automatically terminated if it fails to extend upon expiry;
- (II) If all the assets of the ESOP are monetary assets upon the expiry of the lock-up period, the ESOP may be terminated early;
- (III) Subject to the requirements of the policy, the ESOP may be terminated early upon proposal by the Management Committee, the approval by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and the submission to the Board for consideration and approval.

CHAPTER 8 ESOP'S PARTICIPATION IN FINANCING ARRANGEMENTS OF THE COMPANY

When the Company raises funds by placement of Shares, issuance of new Shares, issuance of convertible bonds, etc., the Management Committee shall decide whether to participate and determine relevant funding plan, and submit to the Holders' Meeting for consideration.

**CHAPTER 9 RELATED-PARTY RELATIONSHIP AND
ACTING-IN-CONCERT RELATIONSHIP UNDER THE ESOP**

- I. The controlling Shareholder and the de facto controller of the Company did not participate in the ESOP.
- II. The Holders of the ESOP include an aggregate of 4 Directors, Supervisors and senior management of the Company who are related persons of the ESOP.
- III. The highest internal management authority of the ESOP is the Holders' Meeting. A Management Committee will be elected by the Holders' Meeting to supervise the daily management of the ESOP. Meanwhile, the ESOP has not entered into any acting-in-concert agreement or any acting-in-concert arrangement with the controlling Shareholder, de facto controller and Directors, Supervisors and senior management of the Company. In this regard, there are no acting-in-concert relationship between the ESOP and the controlling Shareholder, de facto controller, Directors, Supervisors or senior management.
- IV. The Directors, Supervisors and senior management participating in the ESOP shall abstain from voting when the matters in connection with the ESOP are reviewed at the meeting of the Board, the meeting of the Supervisory Committee and the general meeting.
- V. Holders of the ESOP will abstain from voting when the matters in connection with the ESOP and the matters in connection with the Company's Shareholders, Directors, Supervisors and senior management participating in the ESOP are reviewed at the general meeting.

CHAPTER 10 ACCOUNTING TREATMENT OF THE ESOP

In accordance with the relevant provisions of the Accounting Standard for Business Enterprises No. 11 – Share-based Payments: as to an equity-settled share-based payment in return for services of employees, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period should, based on the best estimate of the number of vested equity instruments, be stated in relevant costs or expenses and the capital reserves at the fair value of the equity instruments on the date of grant.

Assuming that the ESOP would be considered and approved at the general meeting of the Company to be held at the beginning of January 2024, and then the Company will transfer 5,248,643 shares of the Company held in the designated repurchase account of the Company to the ESOP through non-trading transfer and other methods permitted by laws and regulations.

As estimated based on closing price (RMB26.88 per share) on the day when the Board will consider and approve the ESOP (Draft), it is expected that the Company should recognize the expenses involved in the ESOP of RMB69,649,500, and the amortization of the expenses of the ESOP is calculated as follows:

Unit: RMB0'000

Total expenses expected to be amortized	2024	2025	2026	2027
6,964.95	3,483.67	2,314.51	952.47	214.31

Note: The final impact on the operating results of the Company shall be subject to the annual audit report issued by the accounting firm.

The cost of the ESOP shall be charged to the costs and expenses. Without considering the impact of the ESOP on the Company's performance, the amortization of expenses under the ESOP has a certain impact on the net profit of each year during the term of the Plan. If the positive effect of the ESOP on the development of the Company is considered, the ESOP will effectively stimulate the enthusiasm of the Company's employees and improve operational efficiency.

CHAPTER 11 PROCEDURES FOR IMPLEMENTATION OF THE ESOP

- I. The Remuneration Committee of the Board is responsible for formulating the draft of the ESOP, giving advice to the Board of the Company, seeking opinions from employees via the staff representative meeting, and submitting it to the Board for consideration.
- II. When the Board is considering and adopting the draft of the ESOP, related Directors shall abstain from voting.
- III. The Supervisory Committee is responsible for verifying the list of Holders, and expressing opinions on whether the ESOP is conducive to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its Shareholders as a whole and whether employees are forced to participate in the ESOP by way of apportionment, forced allocation, etc.
- IV. The Board will, within 2 trading days from consideration and approval of the ESOP at the meeting, publish the resolution of the Board, the draft and abstract of ESOP and the Supervisory Committee.
- V. The Company issues the notice of convening the general meeting.

- VI. The Company shall appoint a law firm to issue legal opinions on the ESOP, and make public the legal opinion before the general meeting of Shareholders to review the ESOP.
- VII. The Company shall convene a general meeting to consider the ESOP and authorize the Board to implement the Plan. The general meeting will adopt the combination of on-site voting and online voting. Shareholders, Directors, Supervisors, senior management and other related parties who are involved in the ESOP shall abstain from voting. Resolutions on the ESOP made at the general meeting are subject to approval by more than half of the voting rights held by the non-affiliated Shareholders attending such meeting.
- VIII. The ESOP shall only be implemented after approval by the general meeting.
- IX. Other procedures that shall be performed as stipulated by the CSRC and the stock exchange.

CHAPTER 12 OTHER IMPORTANT MATTERS

- I. The ESOP shall take effect on the date of approval by the general meeting.
- II. The adoption of the ESOP by the Board and the general meeting does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Holders is determined in the employment contracts entered into with the Holders. For the ESOP, there is no third party to provide incentives, subsidies, and allowances for employees to participate in the Plan.
- III. The financial, accounting, and tax matters related to the implementation of the ESOP shall be handled in accordance with laws and regulations, the relevant financial rules, accounting standards, and tax system.
- IV. The Board shall hold the right to interpret the ESOP.

Board of Great Wall Motor Company Limited
12 December 2023

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

**APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

The 2023 Restricted Share Incentive Plan (Draft) (the “**Incentive Plan**” or the “**Plan**”) of Great Wall Motor Company Limited (the “**Company**”) is formulated by the Company, on the premise of fully protecting the interests of the shareholders, to further establish and improve its long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management, the middle-level managers and core technology (business) backbones of the Company, effectively combine the interests of the shareholders, the interests of the Company and the personal interests of core personnel, and enhance the management level of the Company.

To safeguard the smooth implementation of the Incentive Plan, the Measures are hereby formulated in accordance with the Company Law, the Securities Law, the Measures for the Administration of Equity Incentives for Listed Companies and other relevant laws, administrative regulations, normative documents and relevant provisions of the Articles of Association, and in light of the actual situation of the Company.

I. PURPOSE OF APPRAISAL

To further improve the corporate governance structure of the Company, establish and improve the incentive and constraint mechanism of the Company, guarantee the smooth implementation of the Incentive Plan and maximize the effect of the Incentive Plan, so as to ensure the realization of the Company’s development strategy and business objectives.

II. APPRAISAL PRINCIPLES

- (I) The appraisal of the performance of incentive participants must be based on the principles of equity, openness and justice and in strict accordance with the Measures;
- (II) The appraisal indicators shall be combined with the Company’s medium- and long-term development strategies and annual business objectives, as well as the key work performance, work ability and work attitude of the incentive participants.

III. APPRAISAL SCOPE

The Measures shall apply to all incentive participants determined under the Incentive Plan, specifically including senior management, Directors and senior management of the holding subsidiaries of the Company, the middle-level managers and core technology (business) backbones of the Company (including its holding subsidiaries), excluding independent Directors, Supervisors, and shareholders or de facto controllers severally or jointly holding more than 5% of the shares, as well as their spouses, parents and children.

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

All incentive participants must be employed by and sign labor contracts with the Company (including subsidiaries consolidated statements with the Company) during the validity period of the Incentive Plan.

IV. APPRAISAL ORGANIZATION AND EXECUTIVE BODY

- (I) The Remuneration Committee under the Board is responsible for the organization and implementation of the Incentive Plan;
- (II) The Human Resources Department of each unit is responsible for the collection and provision of relevant data of appraisal, as well as for the authenticity and reliability of the data;
- (III) The Board of the Company is responsible for the approval of the Measures.

V. APPRAISAL INDICATORS AND STANDARDS

(I) Performance appraisal requirements at company level

The appraisal year for the unlocking of the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the proportion eligible for unlocking at the company level (X) shall be determined based on the fulfillment of the achievement rate of performance targets (P) in each appraisal year. The performance appraisal targets for each year of the initial grant of restricted shares are shown in the figure below:

Selection of performance indicators	Sales volume	Net profit
Weighting of each performance indicator	50%	50%
Achievement rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) × weighting of performance indicators	
The first unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall be not less than RMB7.2 billion in 2024

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

Selection of performance indicators	Sales volume	Net profit
The second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
The third unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

If the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved portion will be consistent with that of the initially granted portion; if the reserved restricted shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the performance appraisal targets for each year of the reserved restricted shares will be as follows:

Selection of performance indicators	Sales volume	Net profit
Weighting of each performance indicator	50%	50%
Achievement rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
The first unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
The second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

Note: The “net profit” above refers to the audited net profit attributable to shareholders of listed companies. The “sales volume” above refers to the annual sales volume disclosed in the Annual Report of the Company.

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

Appraisal indicators	Achievement of annual performance targets	Unlocking ratio at company level (X)
Achievement rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to meet the above performance appraisal targets, all the restricted shares of the incentive participants eligible for unlocking in the corresponding appraisal year shall not be unlocked, and shall be repurchased and canceled by the Company.

If the conditions for unlocking are not met in any of the unlocking periods during the validity period of the Incentive Plan, the corresponding proportion of restricted shares eligible for applying for unlocking in the current period shall not be deferred to the next year, and shall be uniformly repurchased and canceled by the Company.

(II) Performance appraisal requirements at individual level

The annual performance appraisal results of incentive participants are divided into five grades, namely, A, B, C, D and E. The unlocking ratio at individual level (N) shall be determined according to the appraisal results in the table below:

Annual performance appraisal results	A	B	C	D	E
Unlocking ratio at individual level (N)	100%	100%	80%	0%	

The actual unlocking ratio of individual incentive participants for the year = the unlocking ratio in the current period \times the unlocking ratio at company level (X) \times the unlocking ratio at individual level (N).

The restricted shares which cannot be unlocked by the incentive participants in the appraisal year shall be repurchased and canceled by the Company.

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

VI. APPRAISAL PERIOD AND FREQUENCY

(I) Appraisal period

The appraisal period refers to the fiscal year prior to the unlocking of restricted shares of Participants for each period.

(II) Frequency

The appraisal year for the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the appraisal shall be conducted once a year.

VII. APPRAISAL PROCEDURE

The performance appraisal of each incentive participant for each year shall be organized and implemented by the Human Resources Department of each unit, and the appraisal results shall be kept and submitted to the long-term incentive management and implementation team.

The long-term incentive management and implementation team shall determine whether the incentive participants shall be unlocked and the unlocking ratio based on the appraisal results.

VIII. MANAGEMENT OF APPRAISAL RECORDS

(I) Feedback and appeal of appraisal results

1. The appraisee shall have the right to know the result of his/her own appraisal. The Human Resources Department of each unit shall notify the appraisee of the appraisal result within 5 working days after the appraisal is completed.
2. If the appraisee disagrees with his/her appraisal result, he/she may appeal to the Human Resources Department of each unit within 10 working days of the notification of appraisal result. The Human Resources Department shall complete the review of appraisal result within 2 working days according to the actual situation, and amend the appraisal result according to the review result.
3. The appraisal results shall be used as the basis for the unlocking of restricted shares.

(II) Archiving of appraisal results

1. Upon completion of the appraisal, the Human Resources Department of each unit shall keep all appraisal records of the performance appraisal. The appraisal results shall be archived as confidential data.

**APPENDIX IV APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

2. The performance records are not allowed to be altered to ensure validity; if re-modification or re-recording is required, it must be signed by the parties concerned.
3. Performance appraisal records shall be kept for 5 years. Expired documents and records shall be destroyed by the Human Resources Department of each unit after approval by the Remuneration Committee.

IX. SUPPLEMENTARY PROVISIONS

- (I) The Measures shall be formulated, interpreted and revised by the Board of the Company. If there is any conflict between the Measures and the laws, administrative regulations and departmental rules to be issued and implemented in the future, the provisions of the latter shall prevail.
- (II) The Measures shall come into effect on the date of consideration and approval by the general meeting of the Company, the A Share Class Shareholders' Meeting and the H Share Class Shareholders' Meeting.

The Board of Great Wall Motor Company Limited
12 December 2023

APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 SHARE OPTION INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED

APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF THE 2023 SHARE OPTION INCENTIVE SCHEME OF GREAT WALL MOTOR COMPANY LIMITED

The 2023 Share Option Incentive Plan (Draft) (the “**Incentive Plan**” or the “**Plan**”) of Great Wall Motor Company Limited (the “**Company**”) is formulated by the Company, on the premise of fully protecting the interests of the shareholders, to further establish and improve its long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of the middle-level managers and core technology (business) backbones of the Company (including its holding subsidiaries), effectively combine the interests of the shareholders, the interests of the Company and the personal interests of core personnel, and enhance the management level of the Company.

To safeguard the smooth implementation of the Incentive Plan, the Measures are hereby formulated in accordance with the Company Law, the Securities Law, the Measures for the Administration of Equity Incentives for Listed Companies and other relevant laws, administrative regulations, normative documents and relevant provisions of the Articles of Association, and in light of the actual situation of the Company.

I. PURPOSE OF APPRAISAL

To further improve the corporate governance structure of the Company, establish and improve the incentive and constraint mechanism of the Company, guarantee the smooth implementation of the Incentive Plan and maximize the effect of the Incentive Plan, so as to ensure the realization of the Company’s development strategy and business objectives.

II. APPRAISAL PRINCIPLES

- (I) The appraisal of the performance of incentive participants must be based on the principles of equity, openness and justice and in strict accordance with the Measures;
- (II) The appraisal indicators shall be combined with the Company’s medium- and long-term development strategies and annual business objectives, as well as the key work performance, work ability and work attitude of the incentive participants.

III. APPRAISAL SCOPE

The Measures shall apply to all incentive participants determined under the Incentive Plan, specifically including the middle-level managers and core technology (business) backbones of the Company (including its holding subsidiaries), excluding independent Directors, Supervisors, and shareholders or de facto controllers severally or jointly holding more than 5% of the shares, as well as their spouses, parents and children.

**APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

All incentive participants must be employed by and sign labor contracts with the Company (including subsidiaries consolidated statements with the Company) during the validity period of the Incentive Plan.

IV. APPRAISAL ORGANIZATION AND EXECUTIVE BODY

- (I) The Remuneration Committee under the Board is responsible for the organization and implementation of the Incentive Plan;
- (II) The Human Resources Department of each unit is responsible for the collection and provision of relevant data of appraisal, as well as for the authenticity and reliability of the data;
- (III) The Board of the Company is responsible for the approval of the Measures.

V. APPRAISAL INDICATORS AND STANDARDS

(I) Performance appraisal requirements at Company level

The appraisal year for the exercise of the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the proportion of exercise at the Company level (X) shall be determined based on the fulfillment of the achievement rate of performance targets (P) in each appraisal year. The performance appraisal targets for each year of the initial grant of share option are shown in the figure below:

Selection of performance indicators	Sales volume	Net profit
Weighting of each performance indicator	50%	50%
Achievement rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) × weighting of performance indicators	
The first exercise period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall be not less than RMB7.2 billion in 2024

**APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

Selection of performance indicators	Sales volume	Net profit
The second exercise period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
The third exercise period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

If the reserved options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the performance appraisal of the reserved portion will be consistent with that of the initially granted portion; if the reserved share option is granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the performance appraisal targets for each year of the reserved share option will be as follows:

Selection of performance indicators	Sales volume	Net profit
Weighting of each performance indicator	50%	50%
Achievement rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
The first exercise period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
The second exercise period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

Note: The “net profit” above refers to the audited net profit attributable to shareholders of listed companies. The “sales volume” above refers to the annual sales volume disclosed in the annual report of the Company.

**APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

Appraisal indicators	Achievement of annual performance targets	Exercise ratio at company level (X)
Achievement rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to meet the above performance appraisal targets, all the exercisable share options of the incentive participants in the corresponding appraisal year shall not be exercised, and shall be canceled by the Company.

If the conditions for exercise are not met in any of the exercise periods during the validity period of the Incentive Plan, the corresponding proportion of exercisable share options in the current period shall not be deferred to the next year, and shall be uniformly canceled by the Company.

(II) Performance appraisal requirements at individual level

The annual performance appraisal results of incentive participants are divided into five grades, namely, A, B, C, D and E. The exercise ratio at individual level (N) shall be determined according to the appraisal results in the table below:

Annual performance appraisal results	A	B	C	D	E
Exercise ratio at individual level (N)	100%	100%	80%	0%	

The actual exercise ratio of individual incentive participants for the year = the exercise ratio in the current period \times the exercise ratio at company level (X) \times the exercise ratio at individual level (N).

The share options which cannot be exercised by the incentive participants in the appraisal year shall be canceled by the Company.

**APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

VI. APPRAISAL PERIOD AND FREQUENCY

(I) Appraisal period

The fiscal year prior to the exercise of each share option for the incentive participants.

(II) Frequency

The appraisal year for the Incentive Plan shall be the three fiscal years from 2024 to 2026, and the appraisal shall be conducted once a year.

VII. APPRAISAL PROCEDURE

The performance appraisal of each incentive participant for each year shall be organized and implemented by the Human Resources Department of each unit, and the appraisal results shall be kept and submitted to the long-term incentive management and implementation team.

The long-term incentive management and implementation team shall determine whether the incentive participants are entitled to exercise and the exercise ratio based on the appraisal results.

VIII. MANAGEMENT OF APPRAISAL RECORDS

(I) Feedback and appeal of appraisal results

1. The appraisee shall have the right to know the result of his/her own appraisal. The Human Resources Department of each unit shall notify the appraisee of the appraisal result within 5 working days after the appraisal is completed.
2. If the appraisee disagrees with his/her appraisal result, he/she may appeal to the Human Resources Department of each unit within 10 working days of the notification of the appraisal result. The Human Resources Department shall complete the review of the appraisal result within 2 working days according to the actual situation, and amend the appraisal result according to the review result.
3. The appraisal results shall be used as the basis for the exercise of shares options.

(II) Archiving of appraisal results

1. Upon completion of the appraisal, the Human Resources Department of each unit shall keep all appraisal records of the performance appraisal. The appraisal results shall be archived as confidential data.

**APPENDIX V APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF
THE 2023 SHARE OPTION INCENTIVE SCHEME OF
GREAT WALL MOTOR COMPANY LIMITED**

2. The performance records are not allowed to be altered to ensure validity; if re-modification or re-recording is required, it must be signed by the parties concerned.
3. Performance appraisal records shall be kept for 5 years. Expired documents and records shall be destroyed by the Human Resources Department of each unit after approval by the Remuneration Committee.

IX. SUPPLEMENTARY PROVISIONS

- (I) The Measures shall be formulated, interpreted and revised by the Board of the Company. If there is any conflict between the Measures and the laws, administrative regulations and departmental rules to be issued and implemented in the future, the provisions of the latter shall prevail.
- (II) The Measures shall come into effect on the date of consideration and approval by the general meeting of the Company, the A Share Class Shareholders' Meeting and the H Share Class Shareholders' Meeting.

The Board of Great Wall Motor Company Limited
12 December 2023

MANAGEMENT MEASURES FOR THE 2023 SECOND
ESOP OF GREAT WALL MOTOR

CHAPTER 1 GENERAL PROVISIONS

I. To standardize the implementation of the Second Phase of Employee Stock Ownership Plan for 2023 (the “**ESOP**” or the “**Plan**”) of Great Wall Motor Company Limited (“**Great Wall Motor**” or the “**Company**”), the Management Measures for the Second Employee Share Ownership Plan for 2023 of Great Wall Motor Company Limited (the “**Management Measures**” or the “**Management Measures for the ESOP**”) is prepared in accordance with the requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies (the “**Guiding Opinions**”), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (the “**Guidelines for Standardized Operation**”), relevant laws, administrative regulations, normative documents, the Articles of Association of Great Wall Motor Company Limited (the “**Articles of Association**”) and the Second Phase of Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft) (the “**Draft ESOP**”).

II. Basic Principles to be Followed by the ESOP*(I) Legal compliance*

The Company implements the ESOP and follows the procedures in strict compliance with relevant requirements under the laws and administrative regulations, which require the Company to disclose true, accurate and complete information in a timely manner. No person is permitted to engage in insider trading, manipulation of the securities market, and other fraudulent actions through the ESOP.

(II) Voluntary participation

This ESOP is implemented in compliance with principles including lawfulness, compliance, voluntary participation and self-bearing of risk. The Company will not adopt such means as apportion, forced allocation, etc. to compel employees to participate in this ESOP.

(III) Self-bearing of risk

The Participants under the ESOP shall be responsible for their own profits and losses, bear their own risks, and have equal rights with other investors.

**CHAPTER 2 PARTICIPANTS AND DETERMINATION
CRITERIA OF THE ESOP****I. Legal Basis for Determining Participants**

The Participants of this ESOP are determined by the Company in accordance with the provisions of the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

II. Determination of the Scope of Participants

Participants under the ESOP shall be either:

- (I) Directors (excluding independent Directors), Supervisors and senior management of the Company;
- (II) core management and key employees.

All the Participants must have entered into labor contracts or employment contracts with the Company or its subsidiaries during the term of the ESOP.

**CHAPTER 3 SOURCE OF FUNDS, SOURCE AND NUMBER OF
SHARES AND TRANSFER PRICE OF THE ESOP****I. Source of Funds**

The source of funds for the ESOP shall be the legitimate salary of the employees, their self-raised funds and funds raised from other sources as permitted under relevant laws and regulations.

Participants of the ESOP shall pay the subscription funds in full and on time according to the subscription amount, and the payment schedule of the ESOP will be notified and arranged by the Company. Any Holder who fails to pay the subscription funds on time and in full will automatically lose his/her corresponding right of subscription.

II. Source and Number of Shares**(I) Source of Shares**

The shares of the ESOP come from the ordinary A shares of Great Wall Motor repurchased in the Company's special securities account for repurchase. After the ESOP is considered and approved by the general meeting, repurchased shares of the Company will be transferred to the ESOP through non-trading transfer and other methods permitted by laws and regulations.

On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 15 July 2022. As of 15 September 2022, the Company had repurchased 12,000,089 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.13% of the Company's total share capital. The highest repurchase price was RMB35.04 per share, the lowest repurchase price was RMB30.22 per share, and the average repurchase price was RMB32.71 per share, with a total amount of funds used of RMB392,565,200 (net of transaction expenses). The repurchase plan has been completed.

On 14 October 2022, the Company held the 51st meeting of the seventh session of the Board and the 44th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 20 million shares (inclusive) and not more than 40 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 16 October 2022. As of 21 February 2023, the Company had repurchased 27,999,954 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.32% of the Company's total share capital. The highest repurchase price was RMB31.00 per share, the lowest repurchase price was RMB27.60 per share, and the average repurchase price was RMB29.35 per share, with a total amount of funds used of RMB821,854,000 (net of transaction expenses). The repurchase plan has been completed.

(II) Number of Shares

The number of Underlying Shares under the ESOP shall be not more than 5,248,643 shares, representing 0.0618% of the total share capital of the Company. The final number of Underlying Shares held by the ESOP shall be subject to the actual number of shares transferred, and the Company will fulfill information disclosure obligations according to the requirements of relevant laws and regulations in a timely manner.

During the period between the pricing reference date and the date on which the shares repurchased by the Company are transferred to the ESOP through non-trading transfer or other methods permitted by laws and regulations, in the event of any ex-rights or ex-dividend matters of the Company, such as conversion of capital reserve into share capital and distribution of shares or dividends, the number and price of the Underlying Shares shall be adjusted accordingly. After the ESOP (draft) is approved at the general meeting, the ESOP shall receive the Underlying Shares from the Company's special securities account for repurchase through non-trading transfer or other methods permitted by laws and regulations.

III. Description of Purchase Price, Pricing Basis and the Reasonableness of Price***(I) Purchase Price and Pricing Basis***

The ESOP shall transfer the ordinary A shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB13.61 per share, which is 50% of average trading price of the Company's shares for the 20 trading day(s) preceding the announcement of the Draft ESOP.

The transfer price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following:

1. 50% of the average trading price of the Company's A Shares on the trading day preceding the announcement of the Draft ESOP, being RMB13.02 per share;
2. 50% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement of the Draft ESOP, being RMB13.61 per share.

In the event of any ex-rights or ex-dividend matters of the Company, such as distribution of dividends or shares, conversion of capital reserve into share capital, during the period from the pricing reference date to the date of transferring the Underlying Shares to the ESOP, the above transfer price shall be adjusted accordingly.

(II) Explanation on the Reasonableness of Price

In recent years, the competition in the industry in which the Company operates has been increasingly intense despite new development opportunities being emerging. How to achieve better results in the fierce industry competition depends on the quality and competence of the Company's talents to a large extent. On top of the existing remuneration and incentive system, the Company further improves the long-term incentive mechanism making the interests of employees aligned with that of Shareholders, which is conducive to fully mobilizing the initiative, enthusiasm and creativity of existing employees, and also attracting high-skilled talents in the industry to join the Company and enhancing its core competitiveness.

The Participants to the ESOP include Directors, Supervisors, senior management, core management and key employees of the Company, all of whom are the key employees in the strategic development and industrial layout of the Company and play a vital role in the overall performance and long-term sustainable and stable development of the Company. With reference to relevant regulations and market practices and taking into consideration the development trend of the industry and the actual operation situation of the Company, the Company determined that the transfer price of the ESOP is RMB13.61 per share.

Targets of the Company's performance appraisal and individual performance appraisal have been set based on the principle of reciprocity between incentive and restraint. The equities will be unlocked in tranches and can only be unlocked if the targets of the Company's performance appraisal and individual performance appraisal have been achieved. The performance appraisal target of the Company is set to be challenging, and the gains of the Participants depend on the achievement of the future performance of the Company, which ensures that the long-term interests of employees and Shareholders are aligned, so that it will bring positive impact on the achievement of the Company's development goals and the rights and interests of all Shareholders, and will not prejudice the interests of the Company and its Shareholders as a whole.

Based on the foregoing, the pricing principle of the ESOP is in line with the actual incentive needs of the Company, which can further stimulate the enthusiasm and potential of the Company's employees, and promote the sustainable and stable development of the Company, thus is considered reasonable and scientific and is aligned with the basic principle that Participants "shall be responsible for their own profits and losses, bear their own risks, and have equal rights with other investors".

CHAPTER 4 DURATION, LOCK-UP PERIOD, PERFORMANCE APPRAISAL AND TRADING RESTRICTIONS OF THE ESOP

I. Duration

- (I) The term of the ESOP shall be 48 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the Underlying Shares has been transferred to the ESOP.
- (II) The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the Holders holding more than two-thirds (inclusive) of the total units and attending the Holders' Meeting, and as considered and approved by the Board.

II. Lock-up Periods

The lock-up period of the ESOP is 12 months commencing from the date when the Company announces the registration of the transfer of the last tranche of the Underlying Shares to the ESOP. The equity of Underlying Shares held shall be unlocked in three tranches. The time point of unlocking is 12 months, 24 months and 36 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the Underlying Shares to the ESOP, and the proportion of the Underlying Shares to be unlocked for each tranche is 40%, 30% and 30%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the Participants.

Regarding the Underlying Shares transferred to the ESOP, the shares derived from the situations including distribution of dividends and the capitalization of capital reserves of the Company, etc. shall also be subject to the above-mentioned lock-up arrangements.

III. Performance Appraisal

(I) *Company-level performance appraisal*

The ESOP is based on three accounting years from 2024 to 2026 as the performance appraisal years, and the proportion to be unlocked at the company level is determined according to the completion of the Company's performance targets in each appraisal year. The performance appraisal indicators for each year are shown in the table below:

Selection of performance indicators	Sales volume	Net profit
Weighting of each performance indicator	50%	50%
Completion rate of performance targets (P)	\sum (the actual achievement value of performance indicators/the target value of performance indicators) \times weighting of performance indicators	
First unlocking period	The sales volume of automobiles of the Company shall be not less than 1.90 million units in 2024	The net profit shall be not less than RMB7.2 billion in 2024
Second unlocking period	The sales volume of automobiles of the Company shall be not less than 2.16 million units in 2025	The net profit shall be not less than RMB8.5 billion in 2025
Third unlocking period	The sales volume of automobiles of the Company shall be not less than 2.49 million units in 2026	The net profit shall be not less than RMB10.0 billion in 2026

Note: The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

Completion rate of performance targets (P)	Unlocking proportion at company level (X)
$P \geq 100\%$	$X=100\%$
$80\% \leq P < 100\%$	$X=P$
$P < 80\%$	$X=0$

If the company-level performance appraisal indicators meet the unlocking conditions, the equity of Underlying Shares for such unlocking period will be unlocked in proportion accordingly. The portion that is not unlocked shall be recovered by the Management Committee. If the company-level performance appraisal indicators fail to meet the unlocking conditions, the equity of Underlying Shares for such unlocking period shall not be unlocked, and shall be recovered by the Management Committee. The recovery price of the above equity interest that is not unlocked shall be equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period. The amount of recovery price shall be returned to the Holders after the corresponding Underlying Shares are disposed of as appropriate by the Management Committee. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.

(II) Individual-level performance appraisal

The ESOP will assess unlocking proportion of individual (N) in accordance with the results of the individual-level performance appraisal, with details as follows:

Annual performance appraisal results	A	B	C	D	E
Individual-level unlocking proportion (N)	100%	100%	80%	0%	0%

Subject to the achievement of the above-mentioned company-level performance appraisal indicators, the actual amount of the Underlying Share equity to be unlocked by the Participants for the period = The amount of Underlying Share equity to be unlocked by the Participants for the period \times the company-level unlocking proportion (X) \times the individual-level unlocking proportion (N).

The equity of Underlying Share that cannot be unlocked due to the results of the individual-level performance appraisal shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and returned the amount of recovery price to the Holders after disposing the corresponding Underlying Shares as appropriate. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.

IV. Trading Restrictions of the ESOP

The implementation of ESOP will strictly abide by the market trading rules, and comply with the provisions of the CSRC and the SSE on the prohibition of trading of stocks during the sensitive period of information. No person is permitted to engage in insider trading, market manipulation and other securities fraud through the ESOP. The ESOP shall not deal in the shares of the Company during the following periods:

- (I) within 60 days preceding the announcement of the Company's annual report, and 30 days preceding the announcement of the semi-annual report and quarterly report; if the date of the annual report is postponed due to special reasons, it shall be from 60 days preceding the original announcement date of the annual reports to the date of publication of the announcement; if the announcement date of the semi-annual report and quarterly report is postponed due to special reasons, it shall be from 30 days preceding the original announcement date of the semi-annual report and quarterly report to the date of publication of the announcement;
- (II) within 10 days preceding the announcement of results forecast or preliminary results of the Company;
- (III) from the date of a major event which may have a material impact on the trading price of the shares or derivatives of the Company or during the relevant decision-making process until the date of the legal disclosure thereof;
- (IV) other periods as may be required by the CSRC, the SSE and the Stock Exchange.

CHAPTER 5 MANAGEMENT MODEL OF THE ESOP

The ESOP shall be managed by the Company itself. The Holders' Meeting is the highest internal management authority of the ESOP. The Holders' Meeting shall establish the Management Committee and authorize the Management Committee as the management body of the ESOP to supervise the daily management of the ESOP and exercise Shareholders' rights on behalf of the Holders. The Board is responsible for drafting and amending the draft of the Plan and handling other relevant matters of the ESOP within the scope authorized by the general meeting.

I. The Holders

- (I) Participants will become the Holders of the ESOP after being granted with the units of the ESOP. The rights of Holders are as follows:
 - 1. enjoying the rights and interests in the assets of the Plan according to their units of the Plan;

2. participating in or appointing their agents to attend the Holders' Meeting, and exercise the corresponding voting rights;
3. supervising the management of the ESOP and making suggestions or inquiries;
4. waiving the voting right in the Company's Underlying Shares indirectly held through their participation in the ESOP, and authorizing the Management Committee to exercise voting rights and other rights on behalf of all Holders;
5. other rights as stipulated by laws, administrative regulations, departmental rules, or the ESOP.

(II) The obligations of Holders are as follows:

1. abiding by laws, administrative regulations, departmental rules, and relevant provisions of the ESOP and Management Measures;
2. during the term of the ESOP, except as reviewed and approved by the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposal;
3. undertaking the relevant risks of the ESOP based on their units of the ESOP;
4. bearing the corresponding taxes stipulated by the State and other relevant laws and regulations as a result of participation in the ESOP;
5. other obligations as specified by laws, administrative regulations and the ESOP.

II. Holders' Meeting

(I) Holders' Meeting of the ESOP is comprised of all Holders of the ESOP and is the internal management authority of the ESOP. The Holders may attend and vote at Holders' meetings in person, or entrust a proxy to attend and vote on his/her behalf. The expenses of travel, board and lodging, etc. incurred by the Holders and their proxies to attend the Holders' Meeting shall be borne by the Holders themselves.

(II) The following matters shall be considered at the Holders' Meeting:

1. Election and removal of any members of the Management Committee;
2. Amendment, extension and early termination of the term of the ESOP;

3. During the term of the ESOP, when the Company raises funds by placement of Shares, issuance of additional Shares, etc., the Management Committee will discuss whether to participate and submit to the Holders' Meeting for consideration;
4. Amendment to the Management Measures;
5. Authorization to the Management Committee to supervise the daily management of the ESOP;
6. Authorization to the Management Committee to exercise Shareholders' rights;
7. Authorization to the Management Committee to take charge of the collaboration with the professional advisors;
8. Authorization to the Management Committee to be responsible for the liquidation and distribution of assets of the ESOP;
9. Other matters deemed to be necessary for consideration at the Holders' Meeting by the Management Committee.

(III) Convention Procedures of the Holders' Meeting

1. The first Holders' Meeting shall be convened by the Chairman of the Company or its designated person, and the subsequent Holders' Meetings will be convened by the Management Committee. When the chairman of the Management Committee is unable to perform his/her duty, he/she shall appoint a member of the Management Committee to preside over the meeting.
2. To convene a Holders' Meeting, the Management Committee shall send out a notice of meeting 3 days prior to the meeting to all the Holders through direct delivery, post, facsimile, e-mail or other means. The meeting notice shall at least include the following details:
 - (1) time and venue of the meeting;
 - (2) means of convening;
 - (3) matters to be considered (proposals);
 - (4) convener and presider of the meeting, proposer of and written proposals for the provisional meeting;
 - (5) necessary materials for the meeting;

- (6) requirements as to the Holders to attend the meeting in person or entrust other Holders to attend the meeting on their behalf;
- (7) contact person and contact information;
- (8) date of issuance of the notice.

In case of emergency, a Holders' Meeting can be convened by a verbal notice. The verbal notice shall at least include the above clauses (1) and (2) and an explanation on the emergency and necessity to convene a Holders' Meeting.

(IV) Voting Procedures of the Holders' Meeting

- 1. After each proposal has been fully discussed, the presider shall submit it to the Holders present at the meeting for voting. The presider may also invite the Holders present at the meeting to vote only after all proposals have been discussed. Voting shall be carried out by written ballot or other methods of voting;
- 2. The Holders of the ESOP shall exercise the corresponding voting rights entitled by their units;
- 3. The Holders may propose to vote for, against, or abstain. The Holders present at the meeting shall select one of the voting options, and any vote with no selection or more than two selections will be deemed as abstention. Unfilled, incorrectly filled, or illegible voting ballots or uncast ballots shall be deemed as abstention from voting. Any vote made after the presider announces the voting result or after the prescribed voting time shall not be counted;
- 4. The presider of the meeting shall announce the voting results at the venue of the meeting. Unless otherwise stipulated by the Plan, a proposed resolution shall become a valid resolution of the Holders' Meeting upon approval by more than 1/2 (inclusive) of the total units held by the Holders present at the Holder's Meeting;
- 5. In the event that a proposal of the Holders' Meeting should be submitted to the Board and the general meeting of the Company for consideration, it shall be submitted to the Board and the general meeting of the Company for consideration in accordance with the provisions of the Articles of Association;
- 6. Holders who individually or collectively hold over 30% of the units under the ESOP may propose to convene a Holders' Meeting;

7. The presider of the meeting shall arrange for record keeping for the Holders' Meeting.

III. Management Committee

- (I) The ESOP shall set up a Management Committee which is responsible for the ESOP, is the daily supervision and management organization of the ESOP and exercises or authorizes the asset management agencies to exercise the Shareholders' rights on behalf of Holders.
- (II) The Management Committee of the ESOP consists of five members and has one chairman of the Management Committee. All members of the Management Committee shall be elected by the Holders' Meeting. The chairman of the Management Committee shall be elected by more than half of all members of the Management Committee. The term of office of members of the Management Committee shall be the term of the ESOP.
- (III) Members of the Management Committee have the following fiduciary duties to the ESOP in accordance with laws, administrative regulations and the Management Measures:
 1. not to take advantage of their position and authority to accept bribes or other illegal income; not to occupy any property of the ESOP;
 2. not to misappropriate funds of the ESOP;
 3. without the consent of the Management Committee, not to open account under his or her own name or others' names for depositing the assets or funds of the ESOP;
 4. without the consent of the Holders' Meeting, not to lend the funds of the ESOP to others or provide guarantee for others with the properties of the ESOP;
 5. not to take advantage of their positions and authority to jeopardize the interests of the ESOP;
 6. other obligations as specified by laws, administrative regulations, departmental rules and the Management Measures.

Where a member of the Management Committee causes any loss to the ESOP due to his or her breach of fiduciary duties, such member shall be liable for indemnification.

(IV) The Management Committee shall discharge the following functions and authority:

1. to convene the Holders' Meeting;
2. to supervise the daily management of the ESOP on behalf of all Holders;
3. to handle matters in relation to the grant of the units under the ESOP;
4. to exercise the Shareholders' rights on behalf of all Holders and manage the assets of the ESOP;
5. to manage the allocation of interests of the ESOP, and decide on the disposal, sales and allocation and other matters of the Underlying Shares upon the expiry of the lock-up period of the ESOP;
6. the Management Committee may engage professional institutions such as securities companies, fund management firms, law firms and accounting firms, to provide consulting services for the ESOP, and is responsible for the collaboration with them;
7. to sign relevant agreements or contracts with external parties on behalf of the ESOP;
8. to decide on the disposal of the units recovered under the ESOP;
9. to handle inheritance registration of the units under the ESOP;
10. other functions and authority as delegated by the Holders' Meeting;
11. other responsibilities to be performed by the Management Committee according to relevant laws and regulations and the provisions of the Plan.

(V) The chairman of the Management Committee shall discharge the following functions and authority:

1. to convene and preside over the Holders' Meeting and the Management Committee Meeting;
2. to supervise and inspect the execution of resolutions of the Holders' Meetings and the Management Committee meetings;
3. other functions and authority as delegated by the Management Committee.

(VI) Convention Procedures for the Management Committee Meetings

The Management Committee meetings shall be convened by the chairman of the Management Committee. Notice of the meeting shall be sent to all members of the Management Committee 3 days prior to the meeting. The content of the notice shall include the following:

1. date and venue of the meeting;
2. reasons for and agenda of the meeting;
3. materials necessary for the meeting;
4. date of issuance of the notice.

(VII) Convening and Voting Procedures for the Management Committee Meetings

1. Management Committee meetings shall be held only when more than half of the members of the Management Committee are present;
2. A resolution made by the Management Committee must be approved by more than half of all members of the Management Committee;
3. One member of the Management Committee will enjoy one vote regarding the voting on resolutions at the Management Committee meetings, and the voting shall be conducted by open ballot;
4. On the premise that the members of the Management Committee can fully express their opinions, the Management Committee meetings can be held by fax, etc. to adopt resolutions which shall be signed by the members of the Management Committee attending the meeting;
5. The members of the Management Committee shall attend the Management Committee meetings in person. If the members of the Management Committee are unable to attend the meeting, they may entrust other members of the Management Committee to attend the meeting on their behalf in writing. The power of attorney shall specify the name, entrusting matters, scope of authorization and term of validity, and shall be signed or sealed by the principal. Members of the Management Committee who attend the meeting on their behalf shall exercise the rights of members of the Management Committee within the scope of authorization. If a member of the Management Committee does not attend a meeting of the Management Committee or entrust a proxy to attend, he/she shall be deemed to have given up his/her right to vote at the meeting;

6. The Management Committee shall make minutes of the decisions on the matters discussed at the meeting, which shall be signed by the members of the Management Committee present at the meeting.

IV. Authorization to the Board by the General Meeting

The general meeting authorizes the Board to handle all matters in relation to the ESOP in full discretion, including but not limited to the following:

- (I) to authorize the Board to handle matters in relation to the establishment, amendment and termination of the ESOP;
- (II) to authorize the Board to make decisions on the term extension of the ESOP;
- (III) to authorize the Board to go through the procedures for the securities and capital accounts involved in the ESOP and to handle all matters concerning the lock-up and unlocking of the shares purchased under the ESOP;
- (IV) upon consideration and approval of the ESOP at the general meeting, to authorize the Board to make corresponding adjustments to the ESOP accordingly in the event of any changes to the relevant laws, regulations or policies during the term of implementation;
- (V) to authorize the Board to change the Participants and the determination criteria for the ESOP;
- (VI) to authorize the Board to sign agreements and documents related to the ESOP;
- (VII) to authorize the Board to handle other matters necessary for the ESOP, except for those rights to be exercised by the general meeting that are expressly provided in the relevant documents.

The above authorizations shall take effect from the date when the ESOP is considered and approved at the general meeting of the Company to the completion of the implementation of the ESOP. The above-mentioned authorized matters, except for those matters need to be resolved by the Board as expressly required by laws, administrative regulations, rules of the CSRC, the ESOP and the Articles of Association, may be directly handled by the chairman of the Board or any appropriate person authorized by the chairman on behalf of the Board.

**CHAPTER 6 ASSET COMPOSITION AND MEASURES FOR THE
DISPOSAL OF INTERESTS OF THE ESOP****I. Asset Composition of the ESOP**

- (I) The interests corresponding to the Underlying Shares held by the ESOP;
- (II) Cash deposits and interest accrued thereon;
- (III) Other assets, such as gains derived from asset management.

The assets under the ESOP are independent of the assets owned by the listed company. The listed company shall not include the assets of the ESOP into its own assets. The assets and revenues obtained from the management, utilization, or other means of the ESOP shall be included in the assets of the ESOP.

II. Disposal of the Holders' Interests

- (I) Within the term of the ESOP, unless otherwise stipulated in laws, administrative regulations, and departmental rules or upon approval of the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposals.
- (II) Within the lock-up period of the ESOP, the Holders shall not request the distribution of rights and interests of the ESOP.
- (III) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the ESOP due to the holding of shares of the Company shall be locked up together. The unlocking period of such shares is the same as the corresponding Underlying Shares.
- (IV) Upon expiration of the lock-up period of the ESOP, the Management Committee shall realize the assets under the ESOP successively and distribute them to the Holders in proportion to their units; or the Management Committee shall apply to the securities depository and clearing institution to transfer the Underlying Shares to the personal account of the Holders according to the proportion of their units pursuant to the requirements of relevant laws and regulations for the Holders to dispose at their own discretion.
- (V) If all Underlying Shares held under the ESOP are sold and the liquidation and distribution of the assets under the ESOP have been completed according to the preceding paragraph, the ESOP shall be terminated immediately upon being approved by the Management Committee and filed with the Board.

(VI) During the term of the ESOP, cash dividends received by the ESOP for holding the Underlying Shares are included in the assets of the ESOP. The Management Committee has the right to decide whether to allocate cash dividends.

(VII) During the term of the ESOP, if cash or other distributable proceeds are obtained from the sale of the Company's shares held by the ESOP, they shall be used in priority to pay the relevant taxes, transaction costs and other expenses incurred by the ESOP.

(VIII) Disposal of Interests under the ESOP in Special Circumstances

1. During the term of the ESOP, in the event of demotion and removal of any Holder, the Management Committee shall have the right to re-approve the locked units which could be held by such Holder; if the locked units held by the Holder are more than the locked units after reapproval, the Management Committee shall be entitled to recover the surplus units at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and shall be returned to the holders after disposal at the appropriate time. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company; the Holder may continue to enjoy the unlocked units under the ESOP held by him/her.
2. If any Holder is involved in one of the following circumstances within the term of the ESOP, the units under the ESOP held by the Holder shall remain the same, the unlocking procedures shall be conducted as stipulated in the ESOP, and their individual performance appraisal shall not be included in the unlocking conditions:
 - (1) where the Holder loses working capacity due to work;
 - (2) where the Holder died due to work (his/her legal heirs will inherit and continue to enjoy such share equity and such heirs are not subject to the qualifications to participate in the ESOP).
3. If the Holder retires within the term of the ESOP:
 - (1) if the Holder leaves the Company due to retirement, he/she shall continue to enjoy the rights of the unlocked units; the units granted but locked shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and shall

be returned to the holders after disposal at the appropriate time. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company;

- (2) where the Holder is reappointed after his/her retirement, the granted units shall be handled in accordance with the procedures and appraisal conditions as stipulated in the ESOP.
4. Where the Holder terminates the employment contract with the Company other than due to clauses 2 and 3 above during the term of the ESOP, the Management Committee has the right to disqualify the Holder from participating in the ESOP, recover all the units held by such Holder (whether unlocked or not) at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and shall be returned to the holders after disposal at the appropriate time. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.
5. During the term of the ESOP, if one of the following circumstances occurs, the Management Committee has the right to disqualify the Holder from participating in the ESOP, and the Holder shall continue to enjoy the rights of the unlocked units; the units locked shall be recovered by the Management Committee at a price equal to the sum of the original contribution for the Underlying Shares corresponding to the units and the interest on bank deposit for the same period, and shall be returned to the holders after disposal at the appropriate time. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company.
 - 1) where the Holder ceases to work in Great Wall Motor but still holds a position within the group due to job rotation;
 - 2) where the Holder holds a position in a wholly-owned or majority-controlled subsidiary of Great Wall Motor, Great Wall Motor loses control over such subsidiary and the Holder still works in such subsidiary;
 - 3) other circumstances as determined by the Management Committee.
6. During the term of the ESOP, in the event of violation of laws, regulations and the Company's anti-bribery management system or negligence or dereliction of duty by the Holder during his/her term, the Management Committee has the right to disqualify the Holder from participating in the ESOP, recover all the units held by such Holder (whether unlocked or not) at a price equal to the lower of the original contribution for the Underlying Shares corresponding to the units and the sold amount, and shall be returned to the holders after

disposal at the appropriate time. If there is any remaining amount after returning to the Holders, the remaining amount shall be attributable to the listed company; where significant economic losses and serious harm are caused to the Company, the Company has the right to investigate the legal liability of the Holder.

7. If the Holder violates non-competition restrictions after leaving the Company or is found to be involved in the disclosure of business secrets of the Company, serious violation of laws and regulations, violation of the Company's anti-bribery management system and other negligence or dereliction of duty, causing serious economic losses or damaging the reputation of the Company, the Company shall have the right to request the Holder to return all his/her income from the units under the ESOP and reserve the right to hold such Holder liable for legal responsibilities.
8. During the term of the ESOP, in the event of other circumstances not expressly agreed in the ESOP or the Management Measures, the disposal of the interests held by the Holder under the ESOP shall be determined by the Management Committee.

CHAPTER 7 AMENDMENT AND TERMINATION OF THE ESOP

I. Amendment to the ESOP

Any amendment to the ESOP shall be passed by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and be submitted to the Board for consideration and approval.

II. Termination of the ESOP

- (I) The ESOP will be automatically terminated if it fails to extend upon expiry;
- (II) If all the assets of the ESOP are monetary assets upon the expiry of the lock-up period, the ESOP may be terminated early;
- (III) Subject to the requirements of the policy, the ESOP may be terminated early upon proposal by the Management Committee, the approval by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and the submission to the Board for consideration and approval.

**CHAPTER 8 ESOP'S PARTICIPATION IN
FINANCING OF THE COMPANY**

When the Company raises funds by placement of Shares, issuance of additional Shares, issuance of convertible bonds, etc., the Management Committee will decide whether to participate and determine relevant funding plan, and submit to the Holders' Meeting for consideration.

CHAPTER 9 OTHER IMPORTANT MATTERS

- I. The Management Measures shall take effect on the date of approval by the general meeting of the Company.
- II. The consideration and approval of the ESOP by the Board of the Company and the general meeting does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Holders is determined in the employment contracts entered into with the Holders. There is no third party to provide incentives, subsidies, and allowances for employees to participate in the ESOP.
- III. The financial, accounting, and tax matters related to the implementation of the ESOP shall be handled in accordance with laws and regulations, the relevant financial rules, accounting standards, and taxation system.
- IV. The Board of the Company shall hold the right to interpret the Management Measures.

Board of Great Wall Motor Company Limited
12 December 2023

**APPENDIX VII ORDINARY RELATED PARTY TRANSACTIONS WITH
SPOTLIGHT AUTOMOTIVE UNDER THE LISTING
RULES OF SHANGHAI STOCK EXCHANGE**

I. BASIC INFORMATION ON ORDINARY RELATED PARTY TRANSACTIONS

(1) Overview of Ordinary Related Party Transactions

On 12 June 2020, Great Wall Motor Company Limited* (hereinafter referred to as the “**Company**”) entered into a Related Party Transactions Framework Agreement (hereinafter referred to as the “**Framework Agreement**”) with Spotlight Automotive Ltd. (hereinafter referred to as “**Spotlight Automotive**”), pursuant to which the Company estimated the amount of Ordinary Related Party Transactions with Spotlight Automotive, which was considered and approved at the second extraordinary general meeting of 2020 of the Company held on 10 July 2020.

On 23 January 2022, the Company entered into Amended Agreement I to the Framework Agreement on Related Party Transactions with Spotlight Automotive (hereinafter referred to as “**Amended Agreement I**”), pursuant to which the Company amended the estimated annual cap for 2022 for the provision of consulting services with Spotlight Automotive and increased the estimated annual cap for 2022 for the purchase of vehicles and their spare parts, which were considered and approved at the first extraordinary general meeting of 2022 of the Company held on 18 March 2022.

On 29 March 2022, the Company entered into Amended Agreement II to the Framework Agreement on Related Party Transactions with Spotlight Automotive (hereinafter referred to as “**Amended Agreement II**”), pursuant to which the Company amended the estimated annual cap of the Related Party Transactions for 2022 for the sale of products with Spotlight Automotive, which was considered and approved at the 2021 annual general meeting of the Company held on 25 April 2022.

On 30 December 2022, the Company held the 55th meeting of the seventh session of the Board of Directors to consider the “Proposal to Consider the Framework Agreement and Amended Agreement III with Spotlight Automotive”, which was considered and approved at the first extraordinary general meeting of shareholders of 2023 held on 8 February 2023.

On 29 December 2023, the Company held the first meeting of the special meeting of the independent Directors of 2023, the ninth meeting of the eighth session of the Board and the eighth meeting of the eighth session of the Supervisory Committee, at which the Resolution on Ordinary Related Party Transactions with Spotlight Automotive was considered and approved, which clarified the annual cap of related party transactions between the Company and Spotlight Automotive by category in 2024. All of the 7 members of the Board of the Company attended the Meeting. When considering the resolution, Mr. Zhao Guo Qing, a related Director, abstained from voting, and the non-related Directors unanimously agreed to the above resolution. The approval procedures of the Board are in compliance with the relevant laws and regulations and the Articles of Association of the Company. The ordinary related party transactions are subject to consideration at the general meeting of the Company.

**APPENDIX VII ORDINARY RELATED PARTY TRANSACTIONS WITH
SPOTLIGHT AUTOMOTIVE UNDER THE LISTING
RULES OF SHANGHAI STOCK EXCHANGE**

(2) Ordinary Related Party Transactions

According to the production and operation needs of the Company, on 29 December 2023, the Company entered into the Amendment Agreement IV to the Framework Agreement on Ordinary Related Party Transactions (hereinafter referred to as “**Amended Agreement IV**”) with Spotlight Automotive, pursuant to which the Company revised the annual caps for the related party transactions in relation to the factory construction management and production process development services between the Group and Spotlight Automotive, and estimated the annual caps for the transactions in relation to the provision of consulting services, sales of components and other products, procurement of vehicles and components, provision of research and development services, procurement of research and development services, provision of IT related services and provision of in-plant and out-plant logistics services for 2024.

As of 30 November 2023, the transaction amount for the provision of factory construction management and production process development services between the Group and Spotlight Automotive was RMB20.084 million; the transaction amount for the sales of components and other products was RMB353.938 million; the transaction amount for the purchase of vehicles and components was RMB1,286.274 million; the transaction amount for the provision of R&D services was RMB395.222 million; the transaction amount for the provision of consulting services was RMB2.245 million; the transaction amount for the procurement of R&D services was RMB248.189 million; the transaction amount for the provision of IT-related services was RMB14.016 million; the transaction amount for the provision of in-plant and out-plant logistics services was RMB1.909 million; and the transaction amount for the short-term lease was RMB0.884 million. Pursuant to the Amendment Agreement IV, the amendments to the ordinary related party transactions were as follows:

1. The Group will provide factory construction management and production process development services to Spotlight Automotive, and the estimated transaction amount is RMB200 million in aggregate from 2020 to 2027;
2. The Group will sell components and other products to Spotlight Automotive, and the estimated transaction amount of 2024 is RMB3,932.69 million in aggregate;
3. The Group will purchase vehicles, components and other products from Spotlight Automotive, and the estimated transaction amount of 2024 is RMB4,081 million in aggregate; and
4. The Group will provide research and development services to Spotlight Automotive, and the estimated transaction amount of 2024 is RMB486.5 million in aggregate.
5. The Group will provide consulting services to Spotlight Automotive, and the cap of transaction amount of 2024 is expected to be as follows:

	<i>Currency: RMB Unit: million</i>
Category	Estimated amount cap of 2024
Provision of Consulting Service	0.8

Note: The consulting services provided by the Group to Spotlight Automotive include IT-related consulting, HR matters consulting, and other consulting services.

APPENDIX VII	ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT AUTOMOTIVE UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE
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6. The Group will purchase R&D services from Spotlight Automotive, and the estimated transaction amount of 2024 is RMB215 million in aggregate.
7. The Group will provide IT-related services to Spotlight Automotive, and the estimated transaction amount of 2024 is RMB12 million in aggregate.
8. The Group will provide in-plant and out-plant logistics services to Spotlight Automotive, and the estimated transaction amount of 2024 is RMB78.3 million in aggregate.

The above related party transactions are subject to the approval at the general meeting of the Company and are in the ordinary course of business of the Group. Currently, the cap of the daily related party transactions between the Group and Spotlight Automotive is controlled within the cap approved by the Board before the general meeting of the Company.

Authorize the Chief Financial Officer, the Secretary of the Board of Directors and the person who is responsible for the business of the Company to sign the Related Party Transactions Framework Agreement and other relevant documents.

II. RELATED PARTY AND RELATED PARTY RELATIONSHIP

1. Related party

Company name: Spotlight Automotive Ltd.

Date of establishment: 27 December 2019

Legal representative: Zhao Guo Qing

Company type: Limited liability company (sino-foreign joint venture)

Registered capital: RMB1,700,000,000

Registered address: Yue Feng Building, No. 1 North Guo Tai Road, Zhangjiagang Economic and Technological Development Zone, Zhangjiagang City, Jiangsu Province

Business scope: Engaged in the research, development, manufacture and full export sales of ICE (Internal Combustion Engines) vehicles; research, development, manufacture and sale of automotive spare parts and components; research, development, manufacture and sale of new energy vehicles (including battery electric vehicles); export of whole vehicles and their spare parts, components and accessories (except for imports and exports of goods and technologies prohibited by the State or for which administrative approval is required); provision of after-sale services; purchase and sale of automotive accessories; warehousing services; road freight transportation services; provision of relevant training (excluding the training through which the trainees would be able to obtain nationally-recognized vocational certificates), consulting, experiment and technical services. (Projects subject to approval in accordance with the laws shall be operated only after receiving approval from relevant administrative authorities)

APPENDIX VII ORDINARY RELATED PARTY TRANSACTIONS WITH SPOTLIGHT AUTOMOTIVE UNDER THE LISTING RULES OF SHANGHAI STOCK EXCHANGE

Shareholders: Held as to 50% and 50% by the Company and BMW Holding B.V., respectively.

Related party relationship: Mr. Zhao Guo Qing, the Deputy General Manager and Director of the Company, serves as a director of Spotlight Automotive. Spotlight Automotive is deemed to be a related party of the Company under item (3) of Article 6.3.3 of the SSE Listing Rules.

2. Performance capability

The related party transactions between the Group and Spotlight Automotive were for normal production and operation needs. Spotlight Automotive is in good operating and financial condition, and is capable of performing its obligations.

III. MAIN CONTENT AND PRICING POLICIES OF RELATED PARTY TRANSACTIONS

1. Description of the Transactions

The Group has entered into the Amended Agreement IV with Spotlight Automotive in respect of the transactions including the sale of spare parts, the purchase of vehicles and parts, the provision of plant construction management, the production process development services, the provision of consulting services, the procurement of R&D services, the provision of R&D services, the provision of IT-related services, the provision of in-plant and out-plant logistics services and other transactional matters.

2. Term and Conditions Precedent of the Framework Agreement

- (1) The term shall commence from the effective date of the Framework Agreement to 31 December 2032.
- (2) The Framework Agreement is conditional upon the approval (if required) by relevant internal authorities applicable to both parties.

3. Pricing Principles

Under Amended Agreement IV, the pricing principles regarding the transactions between the Group and Spotlight Automotive shall comply with the relevant laws, regulations and the requirements of the Listing Rules. The prices of the transactions agreed herein shall comply with the arm's length principle to ensure the fairness and reasonableness and in accordance with the general commercial terms. The transactions contemplated under this Agreement will be conducted at any time in compliance with and in accordance with the guidelines, rules and regulations of the Listing Rules and relevant regulatory authorities.

IV. PURPOSE OF THE RELATED PARTY TRANSACTIONS AND IMPACT ON THE COMPANY

The ordinary related party transactions between the Group and Spotlight Automotive were conducted based on normal business operations, which facilitated reasonable allocation of resources by leveraging the advantages of resources each party possesses, improved production efficiency, and met the demand of the Company's operation and development. The abovementioned related party transactions were conducted on the principles of voluntariness, equality and reciprocity by both parties, and the transaction price was determined with fairness without prejudice to the interests of the Company and shareholders. The transactions had no adverse impact on the financial position and operating results of the Company.

The above-mentioned ordinary related party transactions will not affect the independence of the Company's principal business. The principal business or source of revenue and profit of the Company are not dependent on such related party transactions.

The transactions between the Group and Spotlight Automotive were conducted on normal commercial terms in the ordinary course of business of the Group, which were in the interests of the Group.

Pursuant to SSE Listing Rules, related Shareholders shall be required to abstain from voting at the EGM in relation to the relevant resolutions to be proposed at the EGM. As at the Latest Practicable Date, Mr. Zhao Guo Qing (a director of Spotlight Automotive) holds 1,035,000 A Shares of the Company and Mr. Zhao Yong Po (a director of Spotlight Automotive) holds 1,000 A Shares of the Company, therefore Mr. Zhao Guo Qing and Mr. Zhao Yong Po, as the related Shareholders, shall abstain from voting on this resolution at EGM.

This proposal was made based on the SSE Listing Rules.

The above-mentioned related party transactions do not constitute any transaction under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

In accordance with the Company Law of the People's Republic of China, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation and other relevant regulations, the Company made amendments to the Articles of Association in relation to the relevant provisions of independent directors. Meanwhile, in order to meet the latest requirements for the Company's actual business operations and the upgrade of industrial and commercial filing system, the Company expanded its business scope and adjusted the description of its business scope. The details are as follows:

The details of the amendments are set out below:

Before Amendment	After Amendment
Article 4 Address of the Company: 2266 Chao Yang Road South, Baoding, Hebei Province, the PRC Postal code: 071000 Tel number: (0086) 0312-2197812 (0086) 0312-2197813 Fax number: (0086) 0312-2197812	Article 4 Address of the Company: 2266, 2299 Chao Yang Road South, Lianchi District , Baoding, Hebei Province, the PRC Postal code: 071000 Tel number: (0086) 0312-2197812 (0086) 0312-2197813 Fax number: (0086) 0312-2197812
Article 12 The Company's scope of business shall be consistent with and subject to that approved by the authority responsible for company registrations.	Article 12 The Company's scope of business shall be consistent with and subject to that approved by the authority responsible for company registrations.

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>The Company's scope of business is as follows: manufacturing of automobiles and components, accessories and cutting tools thereof; production, development, design, research and development and technical services, processing agency and sale of accessories and provision of after-sale services and consultation services thereof; research and development, manufacturing, sales, repair and maintenance of motorcycles; sales and aftersales of power distribution devices and related products of new energy vehicles and technical services thereof; information technology services; manufacturing of electronic and mechanical equipments (except for those restricted or prohibited by the State from foreign investment and those with special limitations); processing and manufacturing of moulds; design, production and sale of cast iron and steel components and provision of related after-sales services; repair and maintenance of automobiles; general cargo freight transportation and special transportation; storage and logistics (a licence is required for operation in the event of an administrative permit involved); freight transportation agency; trading agency; export of components and accessories of automobiles manufactured and purchased by the Company; import and export of goods and techniques (excluding those distributed and operated exclusively by the State and except for those restricted by the State); leasing out selfowned buildings and equipment. Sales of lubricants, automotive apparel and automotive decorations; Internet retail; food and beverage retail; sales of general merchandise; apparel retail; shoe and hat retail; watches, glasses, bags and luggage, cosmetic and hygiene products, jewelry, stationery, textiles and knitwear, musical instruments, transportation equipment such as bicycles, sporting goods and equipment, household audio-visual equipment, computers, software and auxiliary</p>	<p>Permitted items: production of road motor vehicles; manufacturing of special equipment; road goods transportation (excluding hazardous goods); sale of food; class II value-added telecommunications services. (For items which must be approved in accordance with law, business activities therefor may be carried out only upon approval by the relevant departments. The specific business items shall be subject to the approval documents or licenses of relevant)</p> <p>General items: sales of automobiles; research and development on the engineering and technical; research and development of components; manufacturing of components and accessories; wholesale and retail of auto spare parts; remanufacturing of components; metal tools manufacturing; research and development of mechanical equipments; sales of mechanical equipments; mechanical equipments leasing; information consulting services (excluding permitted information consulting services); information technology service; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; research and development of motorcycles and components; manufacturing of motor parts; wholesale and retail of motorcycles and motor parts; repair and maintenance of motor vehicles; sales of distribution devices; sales of motor vehicle distribution devices; operation of electric vehicle charging infrastructure; manufacturing of electronic (gas) physical equipment and other electronic equipment; general equipment manufacturing (excluding special equipment manufacturing); special equipment manufacturing (excluding permitted professional equipment manufacturing); mold</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>equipment, daily household appliances and photography equipment retail; consulting services of automotive information; training of maintenance skills and relevant services; wholesale and retail of electronic hardware and products; used car dealing; automobile rental services; registration agents; transfer agency services; sale of motor batteries; corporate management consulting; supply chain management services; application services and sale; conference and exhibition services; leisure and sightseeing activities; value-added telecommunications businesses; sales, rental and maintenance, after-sales services of tooling equipment and packing materials and relevant solution design and technological consulting; manufacturing and sale of wooden containers; processing, recycling and sale of scrap metal, waste plastic, used paper and other disposal materials (excluding hazardous waste and chemicals). (For items which must be approved in accordance with law, business activities therefor may be carried out only upon approval by the relevant departments).</p>	<p>manufacturing; metal structure manufacturing; metal structure sales; manufacturing of metal chains and other metal products; metal products sales; metal products repair; domestic container cargo transportation agency; general cargo storage services (excluding hazardous chemicals and other items requiring approval); loading and transportation and packaging services; domestic freight transportation agency; international freight transportation agency; domestic trade agency; import and export agency; import and export of goods and techniques; non-residential real estate leasing; sales of lubricants and automotive decorations; Internet retail (except for sales of goods requiring licenses); sales of general merchandise; apparel, shoe and hat retail; personal hygiene products sales; cosmetic, jewellery, stationery, textiles and knitwear and musical retail; assisted bicycles, scooters and parts, bicycles and parts retail; sporting goods and equipment retail; household audio-visual equipment and electronic products sale; computer hardware and software and ancillary equipment retail; sales of household appliances and lighting appliances. Business training (excluding education training, vocational skills training and other training requiring permits); wholesale and retail of hardware products; used car brokerage; small and micro passenger vehicle leasing and operation services; business agency services; sales of batteries; corporate management consulting; supply chain management services; convention and exhibition services; leisure activities; sales of packaging materials and products; metal packaging containers and materials manufacturing; sales of metal packaging containers and materials; professional design services; sales of plastic products; leasing services (excluding licensed leasing services); manufacturing and sale of wooden containers; processing, sale and recycling of renewable resources (excluding productive scrap metals);</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	recycling of productive scrap metals; manufacturing and sale of specialized chemical products (excluding hazardous chemicals). (Except for items subject to approval in accordance with the law, business activities shall be carried out independently according to the law with business license)

Note: Except for the business scope of “sales of motor vehicle distribution devices; operation of electric vehicle charging infrastructure; manufacturing and sale of specialized chemical products (excluding hazardous chemicals)” is added due to the actual business needs of the Company, other amendments to Article 12 of the Articles of Association are the corresponding description adjustments due to the upgrade of industrial and commercial filing system.

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 70</p> <p>.....</p> <p>The Board of Directors shall hold an extraordinary general meeting within two months upon the occurrence of any one of the following events:</p> <ol style="list-style-type: none"> (1) where the number of the directors is less than the number required by the Company Law or two-thirds of the number required in the Articles of Association of the Company; (2) where the unrecovered losses of the Company amount to one-third of its total paid-in share capital; (3) where shareholder(s) holding more than 10% (inclusive of 10%) of the Company's issued and outstanding voting shares requisition(s) in writing for the holding of an extraordinary general meeting; (4) whenever the Board of Directors deems necessary or the Supervisory Committee so requisitions; (5) where more than two independent directors so propose; (6) any other events required by laws, administrative regulations, departmental rules or the Articles of Association. 	<p>Article 70</p> <p>.....</p> <p>The Board of Directors shall hold an extraordinary general meeting within two months upon the occurrence of any one of the following events:</p> <ol style="list-style-type: none"> (1) where the number of the directors is less than the number required by the Company Law or two-thirds of the number required in the Articles of Association of the Company; (2) where the unrecovered losses of the Company amount to one-third of its total paid-in share capital; (3) where shareholder(s) holding more than 10% (inclusive of 10%) of the Company's issued and outstanding voting shares requisition(s) in writing for the holding of an extraordinary general meeting; (4) whenever the Board of Directors deems necessary or the Supervisory Committee so requisitions; (5) where more than two independent directors so propose; (5) any other events required by laws, administrative regulations, departmental rules or the Articles of Association.
<p>Article 71</p> <p>An independent director shall have the right to propose to the Board of Directors to hold an extraordinary general meeting. Upon receipt of a proposal by an independent director to hold an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and of the Articles of Association, indicate its written feedbacks to the agreement or disagreement to the holding of an extraordinary general meeting within ten days upon receipt of the same.</p>	<p>Article 71</p> <p>Subject to consent of over half of all independent directors, an independent director shall have the right to propose to the Board of Directors to hold an extraordinary general meeting. Upon receipt of a proposal by an independent director to hold an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and of the Articles of Association, indicate its written feedbacks to the agreement or disagreement to the holding of an extraordinary general meeting within ten days upon receipt of the same.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
Where the Board of Directors shall agree to hold an extraordinary general meeting, it shall despatch a notice of an extraordinary general meeting within five days upon passing of a resolution of the Board meeting to that effect. In the event that the Board of Directors shall not agree to hold any extraordinary general meeting, it shall state its reason(s) and publish an announcement thereof.	Where the Board of Directors shall agree to hold an extraordinary general meeting, it shall despatch a notice of an extraordinary general meeting within five days upon passing of a resolution of the Board meeting to that effect. In the event that the Board of Directors shall not agree to hold any extraordinary general meeting, it shall state its reason(s) and publish an announcement thereof.
<p>Article 91</p> <p>A shareholder (including a proxy) may exercise such voting rights according to the number of voting shares he represents at a general meeting. Each share shall carry one vote.</p> <p>Shares in the Company held by the Company shall carry no voting right and shall not be counted in the total number of voting shares represented by shareholders present at the meeting.</p> <p>The Board of Directors, independent directors and shareholders who satisfy the relevant qualifications may canvass the shareholders for votes.</p>	<p>Article 91</p> <p>A shareholder (including a proxy) may exercise such voting rights according to the number of voting shares he represents at a general meeting. Each share shall carry one vote.</p> <p>Shares in the Company held by the Company shall carry no voting right and shall not be counted in the total number of voting shares represented by shareholders present at the meeting.</p> <p>The Board of Directors, independent directors and shareholders holding more than 1% of the voting shares or investors protection institutions established in accordance with laws and regulations may canvass the shareholders for votes.</p>
<p>Article 135</p> <p>.....</p> <p>Each director shall have one vote. Unless otherwise required by the Articles of Association, a resolution of the Board of Directors shall be passed by the majority of all the directors of the Company. A resolution of the Board of Directors relating to any connected transaction is subject to the signatures of the independent directors prior to becoming effective.</p> <p>.....</p>	<p>Article 135</p> <p>.....</p> <p>Each director shall have one vote. Unless otherwise required by the Articles of Association, a resolution of the Board of Directors shall be passed by the majority of all the directors of the Company. A resolution of the Board of Directors relating to any connected transaction is subject to the signatures of the independent directors prior to becoming effective.</p> <p>.....</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 181</p> <p>The Company’s financial reports shall be made available for shareholders’ inspection at the Company twenty days before the date of every shareholders’ annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>The Company shall deliver such reports to each shareholder of Overseas-Listed H Shares by prepaid mail at the address registered in the register of shareholders not later than twenty-one days before the date of every annual general meeting of the shareholders.</p>	<p>Article 181</p> <p>The Company’s financial reports shall be made available for shareholders’ inspection at the Company twenty days before the date of every shareholders’ annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>The Company shall deliver such reports to each shareholder of Overseas-Listed H Shares by prepaid mail at the address registered in the register of shareholders not later than twenty-one days before the date of every annual general meeting of the shareholders.</p> <p>Subject to the laws, regulations and listing rules of the listing place, the Company may also issue or provide the aforesaid reports to the shareholders of Overseas-Listed Foreign Shares by way of an announcement on the website of the Company and the Stock Exchange.</p>
<p>Article 190</p> <p>The profit distribution policies and decision-making procedures and systems of the Company are as follows:</p> <p>.....</p> <p>(III) Decision-making mechanism and procedures of profit distribution:</p> <p>1. The profit distribution policy and the dividend distribution proposal of the Company shall be prepared, considered and passed by the Board of Directors before submitting to the shareholders’ general meeting for approval. Independent directors shall explicitly give their views on cash dividend distribution proposal of the Company.</p>	<p>Article 190</p> <p>The profit distribution policies and decision-making procedures and systems of the Company are as follows:</p> <p>.....</p> <p>(III) Decision-making mechanism and procedures of profit distribution:</p> <p>1. The profit distribution policy and the dividend distribution proposal of the Company shall be prepared, considered and passed by the Board of Directors before submitting to the shareholders’ general meeting for approval.—Independent directors shall explicitly give their views on cash dividend distribution proposal of the Company.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>2. When formulating cash dividends distribution plan of the Company, the Board of Directors shall fully take into account the timing, conditions and minimum ratio, conditions for adjustment and decision-making procedures. The independent directors shall explicitly give their views. The independent directors shall seek the opinions of the minority shareholders, prepare a dividend distribution proposal accordingly and present it directly to the Board of Directors for consideration.</p>	<p>2. When formulating cash dividends distribution plan of the Company, the Board of Directors shall fully take into account the timing, conditions and minimum ratio, conditions for adjustment and decision-making procedures.—The independent directors shall explicitly give their views. The independent directors shall seek the opinions of the minority shareholders, prepare a dividend distribution proposal accordingly and present it directly to the Board of Directors for consideration.</p>
<p>3. If the Board does not propose any cash dividends distribution plan for any profit-making year, the Board shall explain the reason, the use of undistributed profit and relevant plan in details and independent directors shall give independent opinions in this regards and make disclosure as soon as practicable. After the approval of the Board, any profit distribution plan shall be explained by the Board to the Shareholders’ general meeting and shall be subject to the consideration and approval at the Shareholders’ general meeting.</p> <p>.....</p>	<p>3. If the Board does not propose any cash dividends distribution plan for any profit-making year, the Board shall explain the reason, the use of undistributed profit and relevant plan in details—and independent directors shall give independent opinions in this regards and make disclosure as soon as practicable. After the approval of the Board, any profit distribution plan shall be explained by the Board to the Shareholders’ general meeting and shall be subject to the consideration and approval at the Shareholders’ general meeting.</p> <p>.....</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>5. Prior to the consideration of cash dividends distribution plan at the Shareholders' general meeting, the Company shall proactively communicate with its Shareholders, in particular, minority Shareholders, through various channels to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.</p> <p>When considering cash dividends distribution plan at the Shareholders' general meeting, the Company shall effectively protect the public shareholders' rights to attend the Shareholders' general meeting, and the Board of Directors, independent directors and qualified shareholders may gather voting rights at the Shareholders' general meeting. When considering the cash dividends distribution plan at the Shareholders' general meeting, besides receiving Shareholders' opinion at the meeting, the Company shall proactively communicate with Shareholders, in particular, minority Shareholders, through various channels (including hotlines and investors communication platform), in order to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.</p> <p>.....</p>	<p>5. Prior to the consideration of cash dividends distribution plan at the Shareholders' general meeting, the Company shall proactively communicate with its Shareholders, in particular, minority Shareholders, through various channels to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.</p> <p>When considering cash dividends distribution plan at the Shareholders' general meeting, the Company shall effectively protect the public shareholders' rights to attend the Shareholders' general meeting, and the Board of Directors, independent directors and shareholders holding more than 1% of the voting shares or investors protection institutions established in accordance with laws and regulations may gather voting rights at the Shareholders' general meeting. When considering the cash dividends distribution plan at the Shareholders' general meeting, besides receiving Shareholders' opinion at the meeting, the Company shall proactively communicate with Shareholders, in particular, minority Shareholders, through various channels (including hotlines and investors communication platform), in order to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.</p> <p>.....</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>(IV) Adjustments and changes to the profit distribution policy:</p> <p>If the Company adjusts or changes its profit distribution policy in response to the economic environment or its operations, the adjusted or changed profit distribution policy shall comply with the relevant requirements of the CSRC and stock exchanges. Any proposed adjustments or changes to the profit distribution policy and any proposal that no profit distribution proposal of the relevant year can be formulated in accordance with the existing cash profit distribution policy shall be considered and passed by the Board of Directors of the Company before submitting to the shareholders' general meeting for approval. Such proposals shall be passed by more than two-thirds of voting rights held by the shareholders present at such shareholders' general meeting. When the above proposals are being considered at the meetings of the Board of Directors, independent directors shall explicitly give their views on the above proposals.</p>	<p>(IV) Adjustments and changes to the profit distribution policy:</p> <p>If the Company adjusts or changes its profit distribution policy in response to the economic environment or its operations, the adjusted or changed profit distribution policy shall comply with the relevant requirements of the CSRC and stock exchanges. Any proposed adjustments or changes to the profit distribution policy and any proposal that no profit distribution proposal of the relevant year can be formulated in accordance with the existing cash profit distribution policy shall be considered and passed by the Board of Directors of the Company before submitting to the shareholders' general meeting for approval. Such proposals shall be passed by more than two-thirds of voting rights held by the shareholders present at such shareholders' general meeting. When the above proposals are being considered at the meetings of the Board of Directors, independent directors shall explicitly give their views on the above proposals.</p>

Save for the proposed amendments above, the contents of other chapters and articles will remain unchanged. If any chapter and the numbering of article of the Articles of Association thereof is affected as a result of the amendments to the relevant chapters and articles, the numbering of the chapters or articles of the existing Articles of Association shall be adjusted accordingly, and the cross references to the numbering of relevant chapters or articles of the Articles of Association shall be changed accordingly.

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR GENERAL MEETING

In accordance with the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation and other relevant regulations, the Company has revised the Rules of Procedure for General Meeting of Great Wall Motor Company Limited in light of the actual situation, as set out below:

Before Amendment	After Amendment
<p>Article 7</p> <p>General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once a year within 6 months after the end of the previous fiscal year. Extraordinary general meetings are convened from time to time. In any of the following circumstances, the Company shall hold an extraordinary general meeting within 2 months from the date of occurrence of the circumstance:</p> <p>.....</p> <p>(V) when proposed by more than two independent directors;</p> <p>(VI) any other circumstance as specified by the laws, administrative regulations, departmental rules or the Articles of Association.</p>	<p>Article 7</p> <p>General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once a year within 6 months after the end of the previous fiscal year. Extraordinary general meetings are convened from time to time. In any of the following circumstances, the Company shall hold an extraordinary general meeting within 2 months from the date of occurrence of the circumstance:</p> <p>.....</p> <p>(V) when proposed by more than half of all independent directors;</p> <p>(VI) any other circumstance as specified by the laws, administrative regulations, departmental rules or the Articles of Association.</p>
<p>Article 36</p> <p>At the annual general meeting, the Board and the Supervisory Committee shall report on their work in the previous year, and each independent director shall also present his work report.</p>	<p>Article 36</p> <p>At the annual general meeting, the Board and the Supervisory Committee shall report on their work in the previous year, and each independent director shall also present his work report on the fulfillment of his responsibilities.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>The annual work report shall contain the following:</p> <p>(I) The number and ways of the Board meetings attended, votes at the Board meetings, and the number of general meetings attended;</p> <p>(II) Participation in the work of special committees of the Board and special meetings of independent directors;</p> <p>(III) Consideration of the matters listed in Articles 23, 26, 27 and 28 of the Measures for the Administration of Independent Directors of Listed Companies and exercise of the special powers of independent directors listed in Paragraph 1 of Article 18 of the Measures for the Administration of Independent Directors of Listed Companies;</p> <p>(IV) Communication with the internal audit organization and the accounting firm that undertakes the Company's auditing business regarding the Company's financial and business status on significant matters, the manner and results thereof;</p> <p>(V) Communication with minority shareholders;</p> <p>(VI) The time and content of on-site work at the Company;</p> <p>(VII) Other circumstances of fulfillment of duties.</p> <p>The annual work report of the independent directors shall be disclosed no later than when the Company issues the notice of the annual general meeting.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 49</p> <p>.....</p> <p>The Board, independent directors and shareholders who meet the relevant requirements may publicly solicit voting rights from other shareholders. When soliciting voting rights from shareholders, the voting intentions and other related information shall be fully disclosed to those shareholders. It is forbidden to solicit shareholders' voting rights with compensation or disguised compensation. The Company shall not impose a minimum shareholding limit on the solicitation of voting rights.</p>	<p>Article 49</p> <p>.....</p> <p>The Board, independent directors, shareholders holding more than 1% of the voting shares or investor protection organizations established in accordance with laws and regulations may publicly solicit voting rights from other shareholders. When soliciting voting rights from shareholders, the voting intentions and other related information shall be fully disclosed to those shareholders. It is forbidden to solicit shareholders' voting rights with compensation or disguised compensation. The Company shall not impose a minimum shareholding limit on the solicitation of voting rights.</p>

Proposed Amendments to the Rules of Procedure for Meetings of the Board of Directors of the Company:

In accordance with the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation and other relevant regulations, the Company has revised the Rules of Procedure for Meetings of the Board of Directors of Great Wall Motor Company Limited in light of the actual situation, as set out below:

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 11</p> <p>.....</p> <p>There are three Independent Non-executive Directors, who shall not be shareholders of the Company, employees of any shareholder's entity, internal staff of the Company (such as manager or employees of the Company) and any party who is connected with the Company's associates or management. Independent Non-executive Directors shall account for at least one-third of the members of the Board.</p> <p>An Independent Non-executive Director shall mean a Director who has no other duties with the Company except for being a Director and has no relationship with the Company and its substantial shareholder which may affect the independent and objective judgment of the Director.</p>	<p>Article 11</p> <p>.....</p> <p>There are three Independent Non-executive Directors, who shall not be shareholders of the Company, employees of any shareholder's entity, internal staff of the Company (such as manager or employees of the Company) and any party who is connected with the Company's associates or management. Independent Non-executive Directors shall account for at least one-third of the members of the Board. The following persons shall not serve as independent non-executive directors:</p> <p>(I) persons employed by the Company or its subsidiaries and their spouses, parents, children and major social relations;</p> <p>(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or are among the top ten shareholders of the Company and their spouses, parents or children;</p> <p>(III) shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or persons who hold positions in the top five shareholders of the Company and their spouses, parents or children;</p> <p>(IV) persons who hold positions in the subsidiaries of the controlling shareholder and the de facto controller of the Company and their spouses, parents and children;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>(V) persons who have significant business dealings with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or persons who hold positions in entities with significant business dealings and their controlling shareholders or de facto controllers;</p> <p>(VI) persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all members of the project team, reviewers at all levels, persons who sign on the reports, partners, directors, senior management and key persons-in-charge of intermediaries that provide services;</p> <p>(VII) persons who fall within the circumstances set out in items (I) to (VI) in the last 12 months;</p> <p>(VIII) other persons who are not independent as stipulated by laws, administrative regulations, the requirements of the CSRC, the business rules of the stock exchange and the Articles of Association.</p> <p>An independent non-executive director shall mean a director who has no other duties with the company except for being a director and has no direct or indirect interest relationship with the company and its substantial shareholders or de facto controllers, or other relationship that may hinder or affect the independent and objective judgment of the director.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 15</p> <p>Save for the duties and functions of Directors conferred by the Company Law, other relevant laws, and administrative regulations and the Articles, the Independent Non-executive Directors shall have the following special duties and functions:</p> <p>(I) any substantial connected transaction (which means the total amount of the connected transaction proposed to be entered into between the Company and the related party exceeds RMB30 million or 5 percent of the latest audited net asset value of the Company) shall be confirmed by the Independent Non-executive Directors prior to its submission to the Board for discussion. Prior to coming to a decision, the Independent Non-executive Directors may engage an intermediary organisation to issue an independent financial adviser's report, which shall form the basis of their judgment;</p> <p>(II) proposing to the Board the engagement or removal of the certified public accountants' firm;</p> <p>(III) proposing to the Board the holding of extraordinary general meetings;</p> <p>(IV) proposing the holding of Board Meetings;</p> <p>(V) engaging external auditors and consultants independently;</p> <p>(VI) collecting voting rights publicly from shareholders prior to the holding of general meetings.</p>	<p>Article 15</p> <p>Save for the duties and functions of Directors conferred by the Company Law, other relevant laws, and administrative regulations and the Articles, the Independent Non-executive Directors shall have the following special duties and functions:</p> <p>(I) any substantial connected transaction (which means the total amount of the connected transaction proposed to be entered into between the Company and the related party exceeds RMB30 million or 5 percent of the latest audited net asset value of the Company) shall be confirmed by the Independent Non-executive Directors prior to its submission to the Board for discussion. Prior to coming to a decision, the Independent Non-executive Directors may engage an intermediary organisation to issue an independent financial adviser's report, which shall form the basis of their judgment independently engaging an intermediary organisation to audit, consult or verify specific matters of listed companies;</p> <p>(II) proposing to the Board the engagement or removal of the certified public accountants' firm;</p> <p>(II) proposing to the Board the holding of extraordinary general meetings;</p> <p>(III) proposing the holding of Board Meetings;</p> <p>(IV) publicly soliciting shareholders' rights from shareholders according to law;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>In exercising the above duties and functions, the Independent Non-executive Directors shall obtain the consents of more than one-half of all Independent Non-executive Directors.</p>	<p>(V) engaging external auditors and consultantsindependently expressing independent opinions on matters that may be detrimental to the rights and interests of listed companies or minority shareholders;</p> <p>(VI) collecting voting rights publicly from shareholders prior to the holding of general meetings other matters specified by laws, administrative regulations, CSRC regulations and the Articles of Association.</p> <p>In exercising the above duties and functions duties and functions set out in items (I) to (III) above, the Independent Non-executive Directors shall be reviewed by a special meeting of independent directors and shall obtain the consents of more than one-half of all Independent Non-executive Directors.</p> <p>Where an Independent Non-executive Director exercises his/her duties and functions under items (I), the Company shall make timely disclosure. Where the above duties and functions cannot be exercised normally, the listed companies shall disclose the specific circumstances and reasons.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 16</p> <p>Save for discharging the duties and functions referred in Article 15 of the Rules, the Independent Non-executive Directors shall issue their independent opinions to the Board and the general meetings in respect of the following matters:</p> <p>(I) nominating, appointing and dismissing Directors;</p> <p>(II) appointing or dismissing senior officers;</p> <p>(III) the remunerations of Directors and senior officers of the Company;</p> <p>(IV) the total amounts of existing or new loans or other advances from the Company to the shareholders and de-facto controllers of the Company and their associated corporations in excess of RMB3 million or 0.5 percent of the net asset value set out in the latest audited consolidated financial statements of the Company, and the effective measures taken to recover the outstanding amounts;</p> <p>(V) matters in which the Independent Non-executive Directors are of the opinions that may be detrimental to the interests of minority shareholders;</p> <p>(VI) other matters specified by laws, administrative regulations, the Articles and other internal management systems of the Company.</p>	<p>Article 16</p> <p>Save for discharging the duties and functions referred in Article 15 of the Rules, the Independent Non-executive Directors shall issue their independent opinions to the Board and the general meetings in respect of the following matters:</p> <p>(I) nominating, appointing and dismissing Directors;</p> <p>(II) appointing or dismissing senior officers;</p> <p>(III) the remunerations of Directors and senior officers of the Company;</p> <p>(IV) the total amounts of existing or new loans or other advances from the Company to the shareholders and de-facto controllers of the Company and their associated corporations in excess of RMB3 million or 0.5 percent of the net asset value set out in the latest audited consolidated financial statements of the Company, and the effective measures taken to recover the outstanding amounts;</p> <p>(V) matters in which the Independent Non-executive Directors are of the opinions that may be detrimental to the interests of minority shareholders;</p> <p>(VI) other matters specified by laws, administrative regulations, the Articles and other internal management systems of the Company.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Independent Non-executive Directors shall submit one of the following opinions in respect of the above matters: consent, qualified opinion and the reasons; objection and the reasons; unable to opine and the impediments.</p>	<p>Independent Non-executive Directors shall submit one of the following opinions in respect of the above matters: consent, qualified opinion and the reasons; objection and the reasons; unable to opine and the impediments.</p> <p>The following matters shall be submitted to the Board for consideration with the consent of more than one-half of all the independent directors of the Company:</p> <p>(I) related party transactions to be disclosed;</p> <p>(II) the plan for the change or waiver of undertakings by the Company and relevant parties;</p> <p>(III) the decisions made and the measures taken by the Board in relation to the acquisition of the Company;</p> <p>(IV) other matters specified by laws, administrative regulations, CSRC regulations and the Articles of Association.</p> <p>The above matters shall be considered by the special meeting of independent directors.</p>
<p>Article 17</p> <p>The strategy and sustainable development committee, audit committee, nomination committee and remuneration committee are established under the Board of the Company. In accordance with its requirements, the Board may set up other specialised committees and reshuffle existing committees. Special committees shall conduct research on specialised matters, provide advices and recommendations as references for the Board's decision.</p>	<p>Article 17</p> <p>The strategy and sustainable development committee, audit committee, nomination committee and remuneration committee are established under the Board of the Company. In accordance with its requirements, the Board may set up other specialised committees and reshuffle existing committees. Special committees shall conduct research on specialised matters, provide advices and recommendations as references for the Board's decision.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>The special committees are all composed of the Directors. All members of the audit committee are Non-executive Directors in which the Independent Non-executive Directors account for a majority and as the conveners. At least one of the Independent Non-executive Directors in the audit committee must be a professional accountant.</p>	<p>The special committees are all composed of the Directors. All members of the audit committee are Non-executive Directors in which the Independent Non-executive Directors account for more than one-half and the professional accountant in the Independent Non-executive Directors as the conveners. At least one of the Independent Non-executive Directors in the audit committee must be a professional accountant.</p> <p>Independent Directors shall attend the meetings of the special committees in person. If they are unable to attend the meetings in person for any reason, they shall review the meeting materials in advance to form clear opinions and authorize other Independent Directors in writing to attend the meetings on their behalf.</p>
<p>Article 19</p> <p>The main responsibilities of the Audit Committee are:</p> <p>(I) supervising and evaluating the external audit work;</p> <p>(II) guiding the internal audit work;</p> <p>(III) reviewing and commenting on the Company's financial reports, annual reports, interim reports and quarterly reports;</p> <p>(IV) evaluating the effectiveness of internal control and risk management;</p> <p>(V) reviewing and confirming the list of connected persons;</p>	<p>Article 19</p> <p>The main responsibilities of the Audit Committee are:</p> <p>(I) supervising and evaluating the external audit work, and proposing to engage or replace the external auditor;</p> <p>(II) guiding the internal audit work supervising and evaluating the internal audit work, and being responsible for the coordination between the internal audit and the external audit;</p> <p>(III) reviewing and commenting on the Company's financial reports, annual reports, interim reports and quarterly reports reviewing the Company's financial information and its disclosures;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>(VI) coordinating the communication between the management, the internal audit department and related departments and the external auditor;</p> <p>(VII) other matters authorized by the Board of Directors of the Company and other matters involved in relevant laws and regulations.</p>	<p>(IV) evaluating the effectiveness of internal control and risk management supervising and evaluating the internal control of the Company;</p> <p>(V) reviewing and confirming the list of connected persons being responsible for other matters authorized by laws and regulations, the Articles of Association and the Board.</p> <p>(VI) coordinating the communication between the management, the internal audit department and related departments and the external auditor;</p> <p>(VII) other matters authorized by the Board of Directors of the Company and other matters involved in relevant laws and regulations.</p> <p>The following matters shall be submitted to the Board for consideration after being approved by a majority of all members of the Audit Committee:</p> <p>(I) disclosure of financial information in the financial accounting report and periodic report, and the internal control evaluation report;</p> <p>(II) appointment or dismissal of the accounting firm undertaking the Company's auditing business;</p> <p>(III) appointment or dismissal of the Company's chief financial officer;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>(IV) making changes in accounting policies and estimates or correcting significant accounting errors for reasons other than changes in accounting standards;</p> <p>(V) other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.</p>
<p>Article 20</p> <p>The main responsibilities of the Nomination Committee are:</p> <p>(I) studying the selection criteria and procedures of directors, general managers and other Senior Management Members and making suggestions;</p> <p>(II) extensive searching for qualified directors, general managers and other Senior Management Members;</p> <p>(III) examining and making recommendations on candidates for directors, general managers and other Senior Management Members.</p>	<p>Article 20</p> <p>The main responsibilities of the Nomination Committee are is responsible for formulating the standards and procedures for the selection of directors and Senior Management Members, selecting and reviewing the candidates for directors and Senior Management Members and their qualifications for office, and making recommendations to the Board on the following matters. Its main duties and powers are as follows:</p> <p>(I) studying the selection criteria and procedures of directors, general managers and other Senior Management Members and making suggestions;</p> <p>(II) extensive searching for qualified directors, general managers and other Senior Management Members;</p> <p>(III) examining and making recommendations on candidates for directors, general managers and other Senior Management Members.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>(I) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the issuer’s corporate strategy;</p> <p>(II) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;</p> <p>(III) assessing the independence of Independent Non-executive Directors;</p> <p>(IV) making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;</p> <p>(V) appointing or dismissing Senior Management Members;</p> <p>(VI) other matters stipulated by laws, administrative regulations, and provisions of the China Securities Regulatory Commission and the Articles of Association.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
<p>Article 21</p> <p>The main responsibilities of the Remuneration Committee are:</p> <p>(I) studying the assessment standards of Non-independent Non-executive Directors, general managers and other Senior Management Members, conducting assessment and putting forward suggestions;</p> <p>(II) studying and reviewing the compensation policies and plans of Non-independent Non-executive Directors, general managers and other Senior Management Members.</p>	<p>Article 21</p> <p>The main responsibilities of the Remuneration Committee are is responsible for the formulation of standards for appraising and appraisals on directors and Senior Management Members, and the formulation and review of remuneration policies and proposals of the directors and Senior Management Members, and making recommendations to the Board on the following matters:</p> <p>(I) studying the assessment standards of Non-independent Non-executive Directors, general managers and other Senior Management Members, conducting assessment and putting forward suggestions;</p> <p>(II) studying and reviewing the compensation policies and plans of Non-independent Non-executive Directors, general managers and other Senior Management Members.</p> <p>(I) remuneration of directors and Senior Management Members:</p> <p>1. formulating remuneration plans and proposals based on the main scope of responsibilities, duties and importance of the directors and Senior Management Members with reference to the level of remuneration of the corresponding positions of other comparable enterprises;</p> <p>2. remuneration plans and proposals, which mainly include, but not limited to, standards and procedures for performance appraisal and the principal appraisal system as well as the major plan and system of rewards and punishments;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>3. conducting due diligence assessment and annual performance appraisal of the directors (non-independent directors) and Senior Management Members of the Company;</p> <p>(II) formulation or change of equity incentive plans and employee stock ownership plans, and fulfillment of the condition for granting and exercising the rights and interests of incentive recipients;</p> <p>(III) directors and Senior Management Members arrange shareholding plans in subsidiaries proposed to be spun off;</p> <p>(IV) other matters stipulated by laws, administrative regulations, and provisions of the China Securities Regulatory Commission and the Articles of Association;</p> <p>(V) overseeing the implementation of the remuneration system of the Company;</p> <p>(VI) to make recommendations to the Board on the issuer's policy and structure for all directors' and Senior Management Members remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;</p> <p>(VII) considering and/or approving the matters in relation to the Share Scheme as stated in Chapter 17 of the Stock Exchange Listing Rules;</p> <p>(VIII) reviewing and approving the management' s remuneration proposals with reference to the corporate goals and objectives of the Board;</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

Before Amendment	After Amendment
	<p>(IX) making recommendations to the Board on the remuneration packages of individual executive directors and Senior Management Members, which includes benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);</p> <p>(X) making recommendations to the Board on the remuneration of non-executive directors;</p> <p>(XI) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;</p> <p>(XII) reviewing and approving compensation payable to executive directors and Senior Management Members for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(XIII) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(XIV) ensuring that no director or any of their associates is involved in deciding that director's own remuneration; and</p> <p>(XV) dealing with other matters as authorized by the Board.</p>

**APPENDIX VIII AMENDMENTS TO ARTICLES OF ASSOCIATION, RULES OF PROCEDURE
FOR GENERAL MEETING AND RULES OF PROCEDURE FOR MEETINGS
OF THE BOARD OF DIRECTORS OF THE COMPANY**

The amendments to the Articles of Association, the Rules of Procedure for General Meetings of the Company and the Rules of Procedure for Meetings of the Board of Directors of the Company shall become effective upon the approval by the shareholders of the Company at the extraordinary general meeting of the Company and the approval by the relevant PRC government authorities (if applicable).

The full text of the amended Articles of Association, the Rules of Procedure for General Meetings of the Company and the Rules of Procedure for Meetings of the Board of Directors of the Company will be published on The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), the Shanghai Stock Exchange (www.sse.com.cn) and the official website of the Company (www.gwm.com.cn) upon the relevant amendments becoming effective.

The full text of the Articles of Association, the Rules of Procedure for General Meetings of the Company and the Rules of Procedure for Meetings of the Board of Directors of the Company before the amendments were published on 16 June 2023, 12 June 2020 and 18 March 2022 respectively on The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), the Shanghai Stock Exchange (www.sse.com.cn) and the official website of the Company (www.gwm.com.cn).

GREAT WALL MOTOR COMPANY LIMITED

Working System for Independent Directors

(The system was considered and approved at the ninth meeting of the eighth session of the Board on 29 December 2023 and is subject to consideration at the 2024 EGM)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve the corporate governance structure of Baoding Great Wall Motor Company Limited (the “Company”), improve the structure of the Board of Directors (the “Board”), regulate the behavior of the independent Directors of the Company, give full play to the role of the independent Directors in the governance of the Company, promote the improvement of the quality of the Company, strengthen the constraints and supervision mechanism on the internal Directors and the managerial layer, protect the interests of the minority shareholders and creditors, and promote the standardized operation of the Company, the system is hereby formulated in accordance with the Administrative Measures for Independent Directors of Listed Companies (the “Administrative Measures”) issued by the China Securities Regulatory Commission (the “CSRC”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange (the “SSE”), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation, and the Articles of Association of Great Wall Motor Company Limited (the “Articles of Association”) and other relevant regulations.

Article 2 An independent Director is a Director who does not hold any position in the Company other than as a Director, and who does not have any direct or indirect interest in the Company, its major shareholders, or its de facto controllers, or any other relationship that may affect his/her ability to make independent and objective judgments. Independent Directors shall perform their duties independently and shall not be influenced by the Company, its major shareholders, de facto controllers and other entities or individuals.

Article 3 The independent Directors shall have the obligation of loyalty and diligence to the Company and all shareholders, and shall conscientiously perform their duties in accordance with the laws, administrative regulations, the regulations of the CSRC, the business rules of the SSE and the Articles of Association, play the roles of participating in the decision-making, supervising, checking and balancing, and professional consulting in the Board, safeguard the interests of the Company as a whole, and protect the lawful rights and interests of minority shareholders.

Article 4 The independent Directors of the Company shall not account for less than one-third of the members of the Board and shall include at least one professional accountant.

CHAPTER 2 QUALIFICATIONS FOR APPOINTMENT AND REMOVAL

Article 5 An independent Director shall meet the following basic conditions:

- (1) Being qualified to be the Director of the listed Company in accordance with laws, administrative regulations and other relevant provisions;
- (2) Having the independence required by Article 6 of the System;

- (3) Having the basic knowledge of operation of the listed Company and being familiar with the relevant laws, administrative regulations, rules and regulations;
- (4) Having at least five years of working experience in law, accounting or economics necessary for performing the duties of an independent Director;
- (5) Having good personal integrity and no major breach of trust or other adverse records;
- (6) Other conditions stipulated by laws, administrative regulations, CSRC regulations, SSE business rules and the Articles of Association.

Article 6 Independent Directors shall maintain their independence, and the following persons shall not serve as independent Directors of the Company:

- (1) Persons working for the Company or its subsidiaries, their spouses, parents and children, and major social relations (major social relations are siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of spouses of children, etc.);
- (2) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents and children;
- (3) Persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their spouses, parents, and children;
- (4) Persons serving in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses, parents and children;
- (5) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;
- (6) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, Directors, senior management and principals;
- (7) Persons who have been in the situations listed in the previous six paragraphs within the last twelve months;

- (8) Other persons who do not possess independence as stipulated by laws, administrative regulations, regulations of the CSRC, business rules of the SSE and the Articles of Association.

Independent Directors shall conduct an annual self-examination of independence and submit the self-examination to the Board. The Board shall evaluate and issue a special opinion on the independence of the incumbent independent Directors on an annual basis, which shall be disclosed at the same time as the annual report.

Article 7 An independent Director shall, in principle, serve as an independent Director in a maximum of three domestic listed companies and shall ensure that he/she has sufficient time and energy to effectively fulfill his/her duties as an independent Director.

Article 8 The Board, the Supervisory Committee, and shareholders who individually or collectively hold more than 1% of the Company's issued shares may propose candidates for independent Directors, who shall be decided and elected by the shareholders' meeting.

An investor protection agency established by law may publicly request shareholders to entrust it to exercise the right to nominate independent Directors on their behalf.

The nominator specified in paragraph (1) of this Article shall not nominate any person who has an interest in the nominator or other closely related person who may affect the independent performance of duties as a candidate for independent Director.

Article 9 The nominator of an independent Director shall obtain the written consent of the nominee before making the nomination. The nominator shall fully understand the nominee's occupation, academic qualifications, job title, detailed work experience, all part-time jobs, any major breach of trust and other adverse records, etc., and express an opinion that the nominee meets the independence and other conditions for serving as an independent Director. The nominee shall make a public statement that he/she meets the independence and other conditions for serving as an independent Director. Prior to the shareholders' meeting for the election of independent Directors, the Board of the Company shall, in accordance with the regulations, publicize the above and submit the relevant materials of all independent Director candidates to the SSE, and the relevant submitted materials shall be true, accurate and complete.

Article 10 Where the shareholders' meeting of the Company elects two or more independent Directors, a cumulative voting system shall be implemented.

Votes of minority shareholders shall be counted and disclosed separately.

Article 11 The term of office of each independent Director shall be the same as that of the other Directors of the Company, and upon expiration of the term of office, he/she may be re-elected, but his/her consecutive term of office shall not exceed six years.

Article 12 Independent Directors may resign before the expiration of their term of office. An independent Director who resigns shall submit a written resignation report to the Board, explaining any circumstances relating to his/her resignation or that he/she deems necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons and concerns for the resignation of the independent Director. If the resignation of an independent Director will result in the proportion of independent Directors on the Board or its specialized committees not complying with the provisions of the System or the Articles of Association, or if there is a shortage of professional accountants among the independent Directors, the independent Director who intends to resign shall continue to perform his/her duties until the date on which a new independent Director is appointed. The Company shall complete the by-election of an independent Director within sixty days from the date of his/her resignation.

Article 13 Before the expiration of the term of office of an independent Director, the Company may terminate his/her office in accordance with legal procedures. In case of early dismissal of an independent Director, the Company shall promptly disclose the specific reasons and basis. If the independent Directors have objections, the Company shall disclose them in a timely manner.

If an independent Director fails to comply with the provisions of Article 5 (1) or (2) of the System, he/she shall immediately cease to perform his/her duties and resign from his/her position. If the resignation is not tendered, the Board shall, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the regulations. In the event that an independent Director resigns or is relieved of his/her duties as a result of circumstances touching upon the provisions of the preceding paragraph, resulting in the proportion of independent Directors on the Board or its specialized committees not complying with the provisions of the System or the Articles of Association, or if there is a lack of professional accountants among the independent Directors, the Company shall complete the by-election of such independent Directors within sixty days from the date of the occurrence of the aforesaid fact.

CHAPTER 3 DUTIES AND MODALITIES OF PERFORMANCE

Article 14 The independent Directors shall perform the following duties:

- (1) Participating in the decision-making of the Board and express a clear opinion on the matters under consideration;
- (2) Supervising potential material conflicts of interest between the listed Company and its controlling shareholders, de facto controllers, Directors and senior management as listed in Articles 23, 26, 27 and 28 of the Administrative Measures, so as to urge the Board to make decisions in line with the interests of the Company as a whole and to protect the legitimate rights and interests of minority shareholders;

- (3) Providing professional and objective advice on the Company's operation and development, and promoting the enhancement of the Board's decision-making level;
- (4) Other duties prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 15 The independent Directors shall exercise the following special powers:

- (1) To independently engage intermediaries to audit, consult or verify specific matters of the Company;
- (2) To propose to the Board to convene an extraordinary shareholders' meeting;
- (3) To propose meetings of the Board;
- (4) To openly solicit voting rights from shareholders in accordance with the law;
- (5) To express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (6) Other powers and functions prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.

When an independent Director exercises the powers and functions listed in items 1 to 3 of the preceding paragraph, he/she shall obtain the approval of a majority of all independent Directors.

The Company shall disclose in a timely manner any exercise of the powers and functions listed in the first paragraph by independent Directors. If the above powers and functions cannot be exercised normally, the Company shall disclose the details and reasons.

Article 16 Prior to the convening of a meeting of the Board, the independent Directors may communicate with the Board secretary to inquire about the matters to be considered, request for additional materials, and offer opinions and suggestions. The Board and relevant personnel shall carefully study the issues, requests and opinions raised by the independent Directors and provide timely feedback to the independent Directors on the implementation of proposals for amendments and other matters.

Article 17 The independent Directors shall attend the Board meetings in person. If the independent Director is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion and entrust other independent Directors in writing to attend the meeting on his/her behalf. If an independent Director fails to attend two consecutive meetings of the Board in person and does not delegate another

independent Director to attend the meeting on his/her behalf, the Board shall, within thirty days from the date of such fact, propose to convene a shareholders' meeting to remove such independent Director from his/her position.

Article 18 An independent Director who votes against or abstains from voting on a motion of the Board shall state the specific reasons and grounds, the legality and compliance of the matter involved in the motion, the possible risks and the impact on the rights and interests of the Company and the minority shareholders. The Company shall disclose the dissenting opinions of the independent Directors at the same time when disclosing the Board resolutions and set out in the Board resolutions and minutes of meetings.

Article 19 The independent Directors shall pay continuous attention to the implementation of the Board resolutions in relation to the matters set out in Articles 23, 26, 27 and 28 of the Administrative Measures, and shall report to the Board in a timely manner if they find that there is any violation of the laws and administrative regulations, the regulations of the CSRC, the business rules of the SSE and the Articles of Association or any violation of the resolutions of the shareholders' meeting and of the Board and may request the Company to make a written explanation. Where disclosure matters are involved, the Company shall disclose them in a timely manner. If the Company fails to provide an explanation or timely disclosure in accordance with the preceding paragraph, the independent Directors may report to the CSRC and the SSE.

Article 20 The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent Directors of the Company:

- (1) Connected transactions that shall be disclosed;
- (2) Programs of the Company and related parties to change or waive commitments;
- (3) Decisions made and measures taken by the Board in response to the acquisition of the Company;
- (4) Other matters as prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 21 The Company shall hold a meeting attended by all independent Directors (the "special meeting of independent Directors") on a regular or irregular basis. Matters listed in items (1) to (3) of the paragraph 1 of Article 14, and Article 19 of the System shall be considered at a special meeting of independent Directors.

The special meeting of independent Directors may study and discuss other matters of the Company as needed.

Special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

The Company shall facilitate and support the convening of special meeting of independent Directors.

Article 22 The independent Directors shall perform their duties in the special committees of the Board of the Company in accordance with the laws, administrative regulations, the regulations of the CSRC, the business rules of the SSE and the Articles of Association. The independent Directors shall attend the meetings of the special committees in person, and if they are unable to attend the meetings in person for any reason, they shall 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 an independent Director is concerned about a material matter of the Company within the scope of the duties of the special committees in the performance of his or her duties, he/she may bring the matter to the special committees for discussion and consideration in a timely manner in accordance with the procedures.

Article 23 The independent Directors shall spend no less than fifteen days per year working on-site at the Company.

In addition to attending shareholders' meetings, meetings of the Board and its special committees, and special meetings of independent Directors in accordance with the regulations, independent Directors may perform their duties in a variety of ways, such as obtaining information on the Company's operations on a regular basis, listening to reports from the management, communicating with intermediaries such as the head of the internal auditor and the accounting firm that undertake the audit of the listed Company, conducting on-site inspections, and communicating with the minority shareholders.

Article 24 The Board of the listed Company, its special committees and special meetings of independent Directors shall prepare minutes of the meetings in accordance with the regulations, and the opinions of independent Directors shall be set out in the minutes. The independent Directors shall sign and confirm the minutes of the meeting.

Independent Directors shall make work records that detail the performance of their duties. Information obtained by independent Directors in the course of performing their duties, minutes of relevant meetings, and records of communications with staff members of the Company and intermediaries form an integral part of the work records.

For important contents in the work records, the independent Directors may request the Board secretary and other relevant personnel to sign and confirm, and the Company and relevant personnel shall render cooperation. Work records of independent Directors and information provided by the Company to independent Directors shall be kept for at least ten years.

Article 25 The Company shall improve the communication mechanism between the independent Directors and the minority shareholders, and independent Directors may verify the issues raised by the investors with the Company in a timely manner.

Article 26 The independent Directors shall submit an annual report on their duties to the annual shareholders' meeting of the Company to explain their performance of duties. The annual work report shall include the following contents:

- (1) The number of times, ways and votes of attending the Board, and the number of times attending the shareholders' meeting;
- (2) Participation in the work of special committees of the Board and special meetings of independent Directors;
- (3) Consideration of the matters set out in Articles 23, 26, 27 and 28 of the Administrative Measures and exercise of the special powers and functions of the independent Directors as set out in paragraph 1 of Article 18 of the Administrative Measures;
- (4) Information on significant matters, methods and results of communication with the internal auditor and the accounting firm that undertakes the Company's auditing business regarding the Company's financial and business status;
- (5) Communication with minority shareholders;
- (6) The time and content of on-site work at the Company;
- (7) Other circumstances of the performance of duties.

The annual work report of the independent Directors shall be disclosed no later than when the Company gives notice of its annual shareholders' meeting.

Article 27 The independent Directors shall continuously strengthen the study of securities laws and regulations and rules, and improve their ability to perform their duties.

CHAPTER 4 GUARANTEES FOR THE PERFORMANCE OF DUTIES

Article 28 In order to ensure that the independent Directors exercise their powers and functions effectively, the Company shall provide the independent Directors with necessary working conditions and personnel support, and designate the Board office, the Board secretary and other special departments and personnel to assist the independent Directors in performing their duties.

The Board secretary shall ensure that there is a smooth flow of information between the independent Directors and other Directors, senior management and other relevant persons, and that the independent Directors have access to adequate resources and necessary professional advice in the performance of their duties.

Article 29 The Company shall guarantee that independent Directors enjoy the same right to information as other Directors. In order to ensure the effective exercise of the powers and functions of independent Directors, the Company shall inform the independent Directors of the Company's operation on a regular basis, provide information, and organize or cooperate with the independent Directors to carry out on-site inspections.

The Company may organize independent Directors to participate in research and argumentation before the Board considers major and complex matters, fully listen to the opinions of independent Directors, and provide timely feedback to independent Directors on the adoption of their opinions.

Article 30 The Company shall give notice of Board meetings to independent Directors in a timely manner, provide relevant meeting information no later than the period for notice of Board meetings as stipulated in the laws, administrative regulations, the regulations of the CSRC or the Articles of Association, and provide independent Directors with an effective channel of communication; where the independent Directors consider that the information is insufficient, they may request for supplementation. When two or more independent Directors consider that the information is insufficient or the argumentation is unclear, they may jointly propose in writing to the Board to postpone the convening of the Board meeting or to adjourn the consideration of the matter, and the Board shall adopt such proposal. Where a meeting of a special committee of the Board is convened, the Company shall, in principle, provide relevant materials and information no later than three days prior to the convening of the meeting of the special committee.

The information provided by the Company to independent Directors shall be kept by the Company and independent Directors for at least 10 years.

Meetings of the Board and special committees are held on-site as a rule. On the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures when necessary.

Article 31 Where an independent Director exercises his/her powers and functions, the Company's Directors, senior management and other relevant persons shall render cooperation, and shall not refuse, obstruct or conceal relevant information, or interfere with his/her independent exercise of powers and functions. If an independent Director encounters obstruction in the exercise of his/her powers and functions in accordance with the law, he/she may explain the situation to the Board, request the Directors, senior management and other relevant personnel to render cooperation, and record the specific circumstances of the obstruction and the solution in his/her work records; if he/she still fails to eliminate the obstruction, he/she may report the situation to the CSRC and the SSE. Where the performance of duties by an independent Director involves information that shall be disclosed, the Company shall handle the disclosure matters in a timely manner; where the Company does not disclose such information, the independent Director may directly apply for disclosure or report to the CSRC and the SSE.

Article 32 The Company shall bear the expenses incurred by the independent Directors in engaging professional institutions and exercising other powers and functions.

Article 33 The Company shall grant independent Directors allowances commensurate with their responsibilities. The criteria for the allowance shall be formulated by the Board, considered and approved by the shareholders' meeting, and disclosed in the Company's annual report.

In addition to the above allowances, independent Directors shall not obtain other benefits from the Company, its major shareholders, actual controlling persons or interested entities and individuals.

Article 34 The Company may establish the necessary liability insurance system for independent Directors to reduce the risks that may arise from the normal performance of their duties.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 35 In case of conflict between the System and relevant laws, administrative regulations, departmental rules or other normative documents, the relevant laws, administrative regulations, departmental rules or other normative documents shall prevail.

Article 36 The System shall be formulated and interpreted by the Board.

Article 37 The System shall enter into force on the date of its adoption by the shareholders' meeting.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 02333 (HKD counter) and 82333 (RMB counter)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Great Wall Motor Company Limited (the “Company”) will be held at 2:00 p.m. on Friday, 26 January 2024 at the Company’s Conference Room, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the People’s Republic of China (the “PRC”) to consider, approve and authorise the following:

SPECIAL RESOLUTIONS

1. To consider and approve the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) and its summary in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
2. To consider and approve the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) and its summary in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
3. To consider and approve the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
4. To consider and approve the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);

* For identification purposes only

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

5. To consider and approve the proposal to the general meeting to grant authority to the Board and such persons as delegated by the Board to handle in full discretion all matters in connection with the 2023 Restricted Share Incentive Scheme of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
6. To consider and approve the proposal to the general meeting to grant authority to the Board and such persons as delegated by the Board to handle in full discretion all matters in connection with the 2023 Share Option Incentive Scheme of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
7. To consider and approve the proposal amendments to Articles of Association in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024).

ORDINARY RESOLUTIONS

8. To consider and approve the 2023 Second ESOP of Great Wall Motor Company Limited (Draft) and its summary in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
9. To consider and approve the Management Measures for the 2023 Second ESOP of Great Wall Motor Company Limited in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
10. To consider and approve the proposal to the general meeting to grant authority to the Board to deal with matters in relation to the 2023 Second ESOP in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
11. To consider and approve the Ordinary Related Party Transactions with Spotlight Automotive under the Listing Rules of Shanghai Stock Exchange in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
12. To consider and approve the proposed amendments to Working System for Independent Directors of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

13. To consider and approve the proposed amendments to Rules of Procedure for General Meeting of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
14. To consider and approve the proposed amendments to Rules of Procedure for Meetings of the Board of Directors of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024).

By Order of the Board
Wei Jian Jun
Chairman

Baoding, Hebei Province, the People's Republic of China
5 January 2024

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

- (A) The register of members of the Company will be closed from Tuesday, 23 January 2024 to Friday, 26 January 2024 (both days inclusive), during which no transfer of shares will be effected. H shareholders, whose names appear on the Company's register of members at the close of business on Monday, 22 January 2024, are entitled to attend and vote at the EGM after completing the registration procedures for attending the EGM. In order to be entitled to attend and vote at the EGM, all completed share transfer documents shall be lodged with the Company's H share registrar not later than 4:30 p.m. on Monday, 22 January 2024 (Hong Kong time).

The address of the share registrar for the Company's H shares is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai
Hong Kong

- (B) Holders of H shares, who intend to attend the EGM, must complete the reply slips for attending the EGM and return them to the office of the secretary to the Board of the Company not later than Monday, 22 January 2024.

Details of the office of the secretary to the Board are as follows:

No. 2266 Chaoyang Road South, Baoding, Hebei Province
The People's Republic of China
Tel: (86-312) 2197813
Fax: (86-312) 2197812

- (C) Each holder of H shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxy(ies), whether a shareholder or not, to attend and vote on his/her behalf at the EGM. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If the instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- (E) To be valid, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the extraordinary general meeting or any adjournment thereof.
- (F) If a proxy attends the extraordinary general meeting on behalf of a shareholder, he/she should produce his/her ID card and the authorised instrument signed by the proxy or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person shareholder attends the extraordinary general meeting, such legal representative should produce his/her ID card and valid documents evidencing his/her capacity as such legal representative. If a legal person shareholder appoints a representative of the company other than its legal representative to attend the extraordinary general meeting, such representative should produce his/her ID card and an authorised instrument affixed with the seal of the legal person shareholder and duly signed by its legal representative.
- (G) The on-site registration for attending the extraordinary general meeting will be open from 1:00 p.m. to 1:50 p.m. on Friday, 26 January 2024, after which no registration in respect of Shareholders' attendance of the meeting will be accepted. The place of registration is at the Conference Room of Great Wall Motor Company Limited, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC.
- (H) The extraordinary general meeting is expected to last for half a day. Shareholders attending the extraordinary general meeting are responsible for their own transportation and accommodation expenses.
- (I) For matters relating to the participation of A shareholders, please refer to the Notices of the 2024 First EGM, the 2024 First H Shareholders' Class Meeting and the 2024 First A Shareholders' Class Meeting of Great Wall Motor Company Limited published on the website of the Shanghai Stock Exchange (website: www.sse.com.cn) and the official website of the Company (website: www.gwm.com.cn) on 5 January 2024.

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 02333 (HKD counter) and 82333 (RMB counter)

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the holders of H shares (the “**H Shareholders’ Class Meeting**”) of Great Wall Motor Company Limited (the “**Company**”) will be held at 3:00 p.m. on Friday, 26 January 2024 (or immediately following the conclusion or adjournment of the extraordinary general meeting of the Company) or any adjournment thereof at the Company’s Conference Room, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the People’s Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) and its summary in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
2. To consider and approve the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) and its summary in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
3. To consider and approve the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);
4. To consider and approve the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024);

* For identification purposes only

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING

5. To consider and approve the proposal to the general meeting to grant authority to the Board and such persons as delegated by the Board to handle in full discretion all matters in connection with the 2023 Restricted Share Incentive Scheme of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024).
6. To consider and approve the proposal to the general meeting to grant authority to the Board and such persons as delegated by the Board to handle in full discretion all matters in connection with the 2023 Share Option Incentive Scheme of the Company in the circular (published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn) on 5 January 2024).

By Order of the Board
Wei Jian Jun
Chairman

Baoding, Hebei Province, the People's Republic of China
5 January 2024

Notes:

1. Eligibility for attending the H Shareholders' Class Meeting

Holders of H shares whose names appear on the H share register of members maintained by Computershare Hong Kong Investor Services Limited as at 4:30 p.m. on Monday, 22 January 2024 (Hong Kong time) are eligible to attend the H Shareholders' Class Meeting.

To qualify for attendance and vote at the H Shareholders' Class Meeting to be held on Friday, 26 January 2024, all transfers of H shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 22 January 2024 (Hong Kong time).

2. Proxy

- (1) A member eligible to attend and vote at the H Shareholders' Class Meeting is entitled to appoint, in written form, one or more proxy(ies) to attend and vote on his behalf. A proxy need not be a shareholder.
- (2) A proxy must be appointed by a written instrument signed by the appointor or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the appointor, the power of attorney authorising that attorney to sign or other authorised documents must be notarially certified.
- (3) To be valid, the power of attorney or other authorised documents which have been notarially certified together with the completed form of proxy must be delivered to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time designated for holding of the H Shareholders' Class Meeting.

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING

3. Registration procedures for attending the H Shareholders' Class Meeting

- (1) A shareholder or his/her proxy must produce proof of identity when attending the H Shareholders' Class Meeting. If a shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such shareholder may attend the H Shareholders' Class Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Holders of H shares who intend to attend the H Shareholders' Class Meeting (or any adjournment thereof) should complete the reply slips for attending the H Shareholders' Class Meeting (or any adjournment thereof) and return them to the office of the secretary to the Board of the Company not later than Monday, 22 January 2024.
- (3) Shareholders may send the reply slip to the Company in person, by post or by fax.

4. Closure of register of members

The register of members of the Company will be closed from Tuesday, 23 January 2024 to Friday, 26 January 2024 (both days inclusive).

5. Other matters

- (1) The on-site registration for attending the H Shareholders' Class Meeting will be open from 1:00 p.m. to 1:50 p.m. on Friday, 26 January 2024, after which no registration in respect of Shareholders' attendance of the meeting will be accepted. The place of registration is at the Conference Room of Great Wall Motor Company Limited, No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC.
- (2) The H Shareholders' Class Meeting will last for approximately half a day. Shareholders who attend must bear their own travelling and accommodation expenses.
- (3) The address of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, is at:
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
- (4) The registered address of the Company is at:

No. 2266 Chaoyang Road South
Baoding, Hebei Province
The PRC
Tel: (86-312)2197813
Fax: (86-312)2197812
- (5) In this notice, the following expression has the following meaning unless the context otherwise requires:

“RMB” means Renminbi, the lawful currency of the People's Republic of China