

Governance

1. Corporate Governance

Corporate Governance Structure

The Board of Directors is the ultimate decision-making body of the Company. It has established four specialized committees: the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and Sustainability (ESG) Committee. Chaired by the Chairperson of the Board, the Strategy and Sustainability (ESG) Committee is responsible for researching and establishing strategic visions and implementation plans for corporate social responsibility, as well as participating in decision-making on related topics.

Board Composition and Background

When setting the board's composition, the Nomination Committee considers multiple aspects of diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, and knowledge. As of December 31, 2025, the Board comprised 9 directors, including 3 independent directors (33.33%), 2 female directors (22.22%), and 1 director from an ethnic minority background (11.11%). Directors are elected or replaced by the shareholders' meeting and may be dismissed before their term expires. Directors serve three-year terms and are eligible for re-election upon expiration.

The Board members possess extensive experience in vehicle engineering, corporate management, financial management, risk control, and international marketing. This diverse expertise enables them to effectively oversee the Company's efficient and compliant operations, driving sustainable growth in both market and social value.

Clawback Policy

The Company has formulated the Measures for Performance Appraisal of Senior Executives and the Management System for Remuneration and Allowances of Directors and Senior Executives. We plan to revise these policies in March 2026 to enforce a clearer Clawback Policy: In the event of a retroactive financial restatement due to material misstatements (e.g., financial fraud), the performance compensation and long-term incentives of directors and senior executives shall be re-evaluated, and any excess payments shall be clawed back; If directors or senior executives violate obligations causing loss to the Company, or are at fault for illegal acts such as financial fraud, embezzlement, or illegal guarantees, the Company shall reduce, suspend, or claw back both unpaid and previously paid performance compensation and long-term incentives, depending on the severity of the violation.

Salary Evaluation

The Remuneration and Appraisal Committee formulates annual remuneration plans for directors and senior executives. Director remuneration is determined by the Meeting of Shareholders, while senior executive remuneration is approved by the Board of Directors. The Committee conducts performance appraisals for all non-independent directors and senior executives at least quarterly.

2. Business Ethics

Our Commitment

We attach great importance to business ethics management. We strictly abide by national laws and compliance regulations, maintaining “zero tolerance” for corruption, bribery, or improper conduct, and are committed to building a culture of integrity.

Management and Supervision

The Company has established a mature anti-fraud governance system. The Board of Directors oversees, manages, and provides guidance on corporate ethics matters. The Discipline Inspection Committee supervises and reviews major anti-fraud initiatives and the implementation of related policies. The Discipline Committee has specialized units including the Audit Section and Supervision Section. These units systematically advance the “Three Non-Corruption” management system across the Company and its partners. Through education campaigns, scientific oversight, and proactive investigations, they reduce corruption incidents and collectively foster an organization characterized by integrity and transparency.

Goals & Strategies

The Company remains committed to upholding an integrity-driven business environment and ensuring zero incidents of corruption-related litigation. We have enhanced our anti-fraud governance system, conducted business ethics audits, and continuously provided comprehensive training on business ethics and anti-corruption for all employees. We have streamlined reporting channels to foster a transparent, fair, and integrity-driven environment for mutually beneficial cooperative development.

Conducting Business Ethics Audits: In accordance with the Yutong Bus Inspection Work Regulations and the Yutong Bus Annual Audit Plan Management System, the Company dynamically assesses risk levels across all business areas annually. It

formulates inspection and audit work plans to implement cyclical oversight audits across all operational domains. The Company conducts business ethics audits of all operating units in every three years, covering key areas such as anti-corruption, anti-bribery, and anti-fraud.

Conducting Business Ethics Training: The Company continuously advances the optimization and upgrading of its integrity education system, formulating the Yutong Bus Integrity Education Management System. It regularly provides business ethics and anti-corruption training to all employees (including part-time staff), contractors, and other partners.

Key 2025 Milestones

In 2025, the Company implemented business ethics training for all employees, including part-time staff, achieving 100% coverage. We conducted a total of 11 integrity and anti-corruption training sessions, along with five large-scale thematic awareness campaigns and training events—such as the “December 9” International Anti-Corruption Day activities and specialized warning education in procurement—with over 20,000 participants attending in person. Meanwhile, the Company has published 12 editions of the Yutong Bus Integrity Exposure Platform, using typical violation cases to serve as warnings to all employees.

In 2025, we maintained a clean record with no significant negative incidents stemming from bribery, unfair competition, or corruption.