

Haier Smart Home Co., Ltd.

2019 Duty Performance Report of Independent Directors

As independent directors of the 9th session and the 10th session of the Board of Directors of Haier Smart Home Co., Ltd., we performed our duties conscientiously to protect the interests of the Company as a whole, conscientiously implemented the *Independent Directors System* formulated by the Company, faithfully performed the duties as independent directors and prudently and conscientiously and diligently exercised the rights as independent directors in according to the *Company Law of the People's Republic of China* and other laws and regulations and the requirements of the *Articles of Association of Haier Smart Home Co., Ltd.* We also, in the spirit of the principles of independence, objectivity and impartiality, proactively attended the relevant meetings in 2019, carefully reviewed each resolution proposals of the Board and expressed independent opinions on the relevant matters of the Company, which effectively ensured the rationality and fairness of the Company's operation and safeguarded the interests of the Company and shareholders, especially the public shareholders. Details of the duties performance in 2019 are as follows:

I. Basic Information of the Independent Directors

Wu Cheng (resigned at expiration of term of office), male, born in 1940, expert in informationization and automation, academician of Chinese Academy of Engineering. He graduated from Tsinghua University in 1962 and got a postgraduate degree of Tsinghua University in 1966. He once served as an independent director of the 8th and the 9th session of the Board of Directors of Haier Smart Home Co., Ltd. and now he serves as a professor and doctoral supervisor of department of Automation of Tsinghua University, head of National CIMS Engineering Research Center.

Shi Tiantao, male, born in 1962. He currently serves as a professor and doctoral supervisor of the School of Law at Tsinghua University as well as director of Finance

& Law Research Center under the School of Law at Tsinghua University. He also serves on the 9th session and the 10th session of the Board of Directors of Haier Smart Home Co., Ltd. as an independent director. Meanwhile, he concurrently holds other positions such as a vice president of the Chinese Research Association of Securities Law, an arbitrator of CIETAC, and a member of the Case Guidance Committee of the Supreme People's Court.

Dai Deming, male, born in 1962. He is a professor and doctoral supervisor of the accounting department of School of Business at Remin University of China. He also concurrently holds other positions such as a vice-chairman of Accounting Society of China, independent director of the 9th and 10th session of the Board of Directors of Haier Smart Home Co., Ltd.. He once served as an independent director for Beijing Capital Development Co., Ltd. (北京首都开发股份有限公司) and other companies.

Qian Daqun, male, born in 1953. He has served as Chairman of IBM Greater China, Chief Executive Officer and CEO of IBM Greater China. He graduated from the Department of Mathematics at Tamkang University in Taiwan. He has studied advanced management courses at Harvard University's Institute of Business Management, IBM Global Senior Manager Course, and now he serves as an independent director of the tenth Board of Directors of Haier Smart Home Co., Ltd..

Given the above, none of the four independent directors has any circumstances which stipulated by the *Guidelines for the Recording and Training of Independent Directors of Listed Companies of the Shanghai Stock Exchange* affect its independence.

II. Attendance of the Meeting of the Company in 2019

(I) Meeting of the Board and Special Committees

During the reporting period, we attended the Meeting of the Board and Special Committees of the Company as shown in the following table. There were no absences

and no other independent directors were entrusted to attend the meetings and exercise voting rights on his/her behalf during the year. We diligently performed the duties of independent directors.

Meeting		Number of meeting	Dai Deming		Wu Cheng		Shi Tiantao		Qian Daqun	
			Due attendance	Attendance in person	Due attendance	Attendance in person	Due attendance	Attendance in person	Due attendance	Attendance in person
Board		8	8	8	3	3	8	8	5	5
Special Committees	Strategy Committee	2	2	1	1	1	1	1	1	1
	Audit Committee	7	7	7	3	3	7	7	4	4
	Nomination Committee	1	1	1	1	1	1	1	0	0
	Remuneration and Appraisal Committee	1	1	1	1	1	1	1	0	0

(II) General Meeting of Shareholders

The Company convened one general meeting of shareholders in total during the reporting period, the independent directors who attended the meeting actively listened to the opinions and suggestions put forward by the on-site shareholders to better fulfill their duties as independent directors of the Company and promote the standardized operation of the Company.

III. Daily Work

1. During the tenure in 2019, we have earnestly considered the various proposals put forward by the Board, and in terms of the matters subjected to the decision-making of the Board, we carefully conducted a review on the conditions and information provided by the Company in advance; in terms of the production and

daily operation of the Company, we regularly listened to the report of the Company's relevant personnel and kept abreast of the dynamic of the Company to provide advice for the long-term development and management of the Company and to provide reference for the decision-making of the Board. We can prudently, conscientiously and diligently exercise the power given by a majority of shareholders. We safeguarded the overall interests of the Company, conscientiously implemented the *Independent Directors System* formulated by the Company, independently performed the duties without the influence of the substantial shareholder, actual controller or other stakeholders in the Company, and safeguarded the legal rights and interests of small and medium shareholders from being damaged.

2. We served as the chairman or member of the four Special Committees that is Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, of the Board. In each Special Committee, we made full use of our professional knowledge and resources to give full play to the role of Special Committee, so as to provide advices or suggestions for the development of the Company and to provide support for the decision-making of the Board.

IV. Independent Opinions on Relevant Matters of the Company

As the independent directors of the Company, we paid high attention to the protection of the legal rights of small and medium shareholders, and safeguarded the interests of small and medium shareholders, and expressed independent opinions of such matters as related-party transactions, profit distribution, foreign investment, employees stock ownership scheme and issuance of bonds, the details of which are as follows:

No.	Date	Session of the meeting	Matters involved in independent opinions
1	24 January	The 26th meeting of the 9th session	Opinions Given by the Independent Directors on the Relevant Issues at the 26th Meeting of the 9th Session of the Board of Directors (Opinions on matters related to the

		of the Board of Directors	replacement of raised funds and cash management of raised funds)
2	29 April	The 27th meeting of the 9th session of the Board of Directors	Opinions Given by the Independent Directors on the Relevant Issues at the 27th Meeting of the 9th Session of the Board of Directors (Opinions on matters related to the profit distribution, renewing engagement of accounting firm, daily related-party transactions, daily guarantee, conducting foreign exchange funds derivatives business, conducting hedging business of bulk materials and employee shareholding scheme)
3	18 June	The first meeting of the 10th session of the Board of Directors	Independent Directors' Opinions on the Nomination and Engagement of Senior Management Staff (Opinions on matters related to the appointment of general manager and deputy general manager of the Company)
4	29 June	The second meeting of the 10th session of the Board of Directors	Independent Directors' Opinions on the Related-Party Transactions (Opinions on related-party transactions involved in the transferred group energy assets)
5	29 August	The third meeting of the 10th session of the Board of Directors	Independent opinions on matters related to the third meeting of the 10th session of the Board of Directors (opinions on matters related to using temporary replenishment of working capital with part of idle raised funds)
6	29 October	The 4th meeting of the 10th session of the Board of Directors	Independent opinions on matters related to the 4th meeting of the 10th session of the Board of Directors (opinions on matters related to using raised funds to replace self-raised funds previously invested in the investment project financed by the raised funds)
7	21 November	The 5th meeting of the 10th session of the Board of Directors	Independent opinions on matters related to the 5th meeting of the 10th session of the Board of Directors (opinions on matters related to capital increase by Haier Group Corporation to its subsidiaries and related-party transactions)

V. Responsibilities and Obligations in the Process of Preparing and Disclosing the 2018 Annual Report

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Note: This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

In accordance with the *Work Rules Regarding the Annual Report of Independent Directors* of the Company and the *Review Work Procedures on Annual Report of the Audit Committee under the Board* of the Company and other regulations, we have actively performed our responsibilities and obligations as independent directors and member of the audit committee of the Company in the process of preparing and disclosing the 2018 annual report, convened a total of three audit committees to review the relevant arrangements of the audit plan, the audit process and the audit results, and diligently performed the duties.

As the independent directors of the Company, we will continue to diligently perform the duties, make use of our professional knowledge and experience to provide more constructive advice for the development of the Company and provide reference for the decision-making of the Board during the tenure in 2020, so as to improve the decision-making and operation performance of the Company, safeguard the legal rights of the Company and the small and medium shareholders, and prudently, conscientiously and diligently exercise the power given by a majority of shareholders.

Independent Directors: Shi Tiantao, Dai Deming, Qian Daqun
28 April 2020