



Smart Link Better Life.

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

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

**TERMS OF REFERENCE FOR
STRATEGY COMMITTEE OF THE BOARD OF DIRECTORS**

(Adopted on May 6, 2014 and updated on January 17, 2020)

DEFINITIONS

In these terms of reference, unless the context otherwise requires, the following terms have the meanings set out below:

“Articles of Association”	means the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company approved by the 2013 Annual Shareholders General Assembly of the Company and the amendments thereof from time to time;
Board	means the Board of Directors of the Company;
Committee	means the Strategy Committee of the Board of the Company;
Company	means Yangtze Optical Fibre And Cable Joint Stock Limited Company;
Company Law	means the Company Law of the People's Republic of China;
Directors	means the directors of the Company, and “ Director ” means any one of them;
Independent Non-executive Directors	means non-executive Directors meeting the requirements of independence set out in the Listing Rules, and “ Independent Non-executive Director ” means any one of them;
Listing Rules	means the applicable listing rules of the stock exchange(s) on which the Company's shares are listed;
Senior Management	means the president, the senior vice president, the vice president, the chief financial officer (the “ CFO ”), secretary to the Board and other persons prescribed by the Articles of Association.

* For identification purpose only

CHAPTER 1 GENERAL PROVISIONS

- ARTICLE 1.** In order to strengthen the internal control of the Company and enhance the Company governance structure, the Board has established a Strategy Committee and formulated these terms of reference pursuant to the Company Law, the Articles of Association and other relevant rules. Upon the listing of the Company on domestic and overseas stock exchange(s), these terms of reference shall comply with the Listing Rules and other applicable laws and regulations as amended from time to time. If these terms of reference are in conformity with, contradictory to or there are any conflicts with any applicable relevant laws, regulations, the Articles of Association and the Listing Rules, the most rigorous provisions should be implemented based on the principle of “as strict as possible”.
- ARTICLE 2.** The Committee is a specialized working organ established by the Board in accordance with the Articles of Association, which is primarily responsible for carrying out researches and giving advice on the Company’s long-term development strategies and major investment decisions.

CHAPTER 2 COMPOSITION

- ARTICLE 3.** The Committee shall consist of three to five Directors.
- ARTICLE 4.** The members of the Committee shall be nominated by the chairman, one-half or more of the Independent Non-executive Directors or one-third or more of the Directors and shall be elected by the Board.
- After the proposal of electing members of the Committee has been approved, the new members of the Committee shall take offices immediately after the meeting of the Board.
- ARTICLE 5.** The Committee shall have one chairman. The chairman of the Board shall be the chairman of the Committee who shall preside the work of the Committee.
- ARTICLE 6.** The term of office of the member of the Committee shall be the same as his term of office in the Board, and the member of the Committee may serve consecutive terms if reelected upon expiration of the term of office. Where a member ceases to be a Director, he will be disqualified as a member of the Committee accordingly. The Board shall fill the vacancy pursuant to the above Article 3 to Article 5. A member of the Committee shall not be removed from office without cause before the expiration of his term of office except where circumstances arise rendering him not qualified to serve such position under the Company Law, the Articles of Association or the Listing Rules.
- ARTICLE 7.** A working group shall be set up for the Committee as a daily work organ under the Committee, which shall be responsible for daily liaison, organizing meetings and implementing the resolutions of the Committee as well as handling other related issues. A Committee secretary shall be appointed by the Committee officially.

CHAPTER 3 DUTIES AND AUTHORITY

ARTICLE 8. The major duties and authority of the Committee are:

- (1) to carry out research and give advice on the plan of long-term development strategies of the Company;
- (2) to carry out research and give advice on the major investment and financing plans which shall be submitted to the Board for approval in accordance with the Articles of Association;
- (3) to carry out research and give advice on the major projects of capital operations and asset management which shall be submitted to the Board for approval in accordance with the Articles of Association;
- (4) to carry out research and give advice on the other major matters that will impact the development of Company;
- (5) to examine the implementation of above matters; and
- (6) any other matters as authorized by the Board.

ARTICLE 9. The Committee shall be responsible to the Board and the proposal of the Committee shall be submitted to the Board for deliberation.

The Committee shall provide details of its discussion and materials and information used in the discussion in the form of reports, recommendations and summaries to the Board for its deliberation and decision-making.

ARTICLE 10. The relevant departments of the Company have the responsibility of coordinating with the Committee to carry out its work and providing relevant materials. The Committee shall be provided with sufficient resources to discharge its duties.

ARTICLE 11. The major duties and authority of the chairman of the Committee are:

- (1) to convene and preside over the meeting of the Committee;
- (2) to take charge of day-to-day work of the Committee;
- (3) to examine and approve as well as sign the reports and other important documents of the Committee;
- (4) to examine the implementation of resolutions and suggestions of the Committee;
- (5) to report to the Board about the Committee's work on behalf of the Committee; and
- (6) any other duties the chairman of the Committee shall perform.

When the chairman of the Committee is unable to perform his duties for any reason, a member of the Committee designated by the chairman shall perform the duties of the chairman on his behalf.

CHAPTER 4 DECISION-MAKING PROCESS

ARTICLE 12. The working group of the Committee shall duly carry out preparation work before the decision-making process of the Committee and provide written materials for decision-making in relation to the following:

- (1) the materials on the intention, preliminary feasibility study reports, basic information of cooperation partners regarding projects such as major investment and financing projects, capital operation and asset management projects which are submitted by the relevant departments of the Company or the person in charge of the Company's subsidiaries or enterprises in which the Company has equity interests;
- (2) the materials on the projects which have been preliminarily examined by the working group and for which an opinion for establishment of the project has been issued and project details have been submitted to the Committee for records;
- (3) the written materials constituted through the negotiations between the relevant departments of the Company or the Company's subsidiaries or enterprises in which the Company has equity interests and their external cooperation partners on the agreements, contracts, articles of association and their drafts, the feasibility study reports and other relevant issues; and
- (4) the proposals which had been examined and appraised by the working group and for which written comments have been provided by the working group and a formal submission has been made to the Committee.

ARTICLE 13. The meeting of the Committee shall be convened in accordance with the proposals submitted by the working group. After discussion, the outcome of the discussion shall be reported to the Board and sent to the working group by the Committee.

CHAPTER 5 RULES FOR PROCEEDINGS OF MEETINGS

- ARTICLE 14.** The meeting of the Committee shall be convened from time to time. The chairman of the Committee shall be responsible for convening the meetings. Where the chairman cannot perform the function for any reason, one of the members of the Committee designated by the chairman shall convene such a meeting, and where the chairman fails to make the designation, one of the members of the Committee shall convene the meeting.
- ARTICLE 15.** Seven days' notice shall be given to all members before the meeting of the Committee. The meeting shall be chaired by the chairman, or, where the chairman is unable to present at the meeting, one of the members as authorized by the chairman.
- ARTICLE 16.** The meetings of the Committee shall only be held when two-thirds or more of the members are present. Each member shall have one vote. Resolutions made at the meeting shall be passed by more than half of all members.
- ARTICLE 17.** Resolutions at the meetings of the Committee shall be determined by show of hands or by poll. Interim meetings may be held through any communication facilities. A member of the Committee who entrusts another member to attend the meeting and exercise voting rights on behalf of him shall submit a power of attorney to the moderator of the meeting no later than the commencement of voting.
- ARTICLE 18.** If deemed necessary by the Committee, it may invite Directors, supervisors, president or other Senior Management of the Company to sit in the meetings.
- ARTICLE 19.** Where necessary for the relevant projects, the Committee may appoint intermediary agencies to provide independent and professional advices for its decision-making and the expenses as reasonably incurred thereof shall be borne by the Company.
- ARTICLE 20.** The convening procedures, the methods of voting and the resolutions passed at the meetings of the Committee shall be in accordance with the relevant law, regulations, the Articles of Association and the rules in these terms of reference.
- ARTICLE 21.** Minutes shall be taken for the meetings of the Committee. Members present at the meeting shall sign on the minutes and the minutes shall be kept by the secretary of the Committee and shall be made available for inspection by the Directors. The minutes of the meeting shall be retained for not less than ten years.
- ARTICLE 22.** The resolutions and voting results at the meeting of the Committee shall be reported to the Board in written form.
- ARTICLE 23.** Members who attend the meetings shall keep confidential all the proceedings at the meetings and shall not disclose any relevant information without authorization unless the relevant laws, regulations and/or regulatory authorities require the member to do so.

CHAPTER 6 MISCELLANEOUS

- ARTICLE 24.** In these terms of reference, the terms “not less than” include the figure itself, while “more than” do not include the figure itself.
- ARTICLE 25.** These terms of reference will come into effect from the date on which it is approved at the Board meeting of the Company.
- ARTICLE 26.** Matters which are not provided for in these terms of reference shall be governed by the requirements of the relevant laws and regulations of the People’s Republic of China, Articles of Association, the Listing Rules and other applicable laws and regulations. If these terms of reference conflict with any applicable laws, regulations promulgated by relevant governments in the future or the Articles of Association as modified through procedures in compliance with laws or the Listing Rules as amended from time to time, the terms of reference shall be implemented in accordance with the requirements of relevant laws, regulations and the Articles of Association as well as the Listing Rules and shall be modified forthwith and submitted to the Board for approval.
- ARTICLE 27.** The Board shall have the right to interpret these terms of reference.