

LEMO SERVICES CO., LTD

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

Chapter I General Provisions

Article 1 In order to accommodate to the strategic development needs of Lemo Services Co., Ltd (the “Company”), strengthen its core competitiveness, determine its development plans, improve its investment decision-making procedures, strengthen its scientific decision-making, enhance the effectiveness and quality of its decision-making on major investment and capital operation, and optimize its governance structure, the Company has established a strategy committee (the “Strategy Committee”) of the board of directors (the “Board”) and formulated the Terms of Reference in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法), the Securities Law of the People’s Republic of China (中華人民共和國證券法), the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company’s shares are listed and other relevant laws and regulations, as well as the Articles of Association of Lemo Services Co., Ltd (the “Articles of Association”).

Article 2 The Strategy Committee is a dedicated working body under the Board, which is primarily responsible for carrying out feasibility studies in relation to the long-term development strategic plans and significant strategic investments of the Company. The Strategy Committee reports its work to and is accountable to the Board.

Chapter II Composition

Article 3 The Strategy Committee shall consist of three directors, including at least one independent non-executive director.

Article 4 The members of the Strategy Committee shall be nominated by the chairman of the Board, more than half of the independent non-executive directors or one-third of all directors, and shall be elected by more than half of all directors of the Board. The provisions on the obligations of directors stipulated in the Company Law and the Articles of Association shall apply to the members of the Strategy Committee.

Article 5 The Strategy Committee shall have a convener/chairman of the committee, who shall be the chairman of the Board of the Company.

Article 6 The term of office of the members of the Strategy Committee shall be consistent with that of the members of the Board. Each member shall be eligible for re-election upon the expiry of his/her term of office. During his/her term of office, if any member ceases to be a director of the Company, his/her membership in the Strategy Committee shall lapse automatically, and the position(s) vacated by such member(s) shall be filled by the Board according to the provisions of Articles 3 to 5 above.

Chapter III Duties and Authorities

Article 7 The powers mainly exercised by the Strategy Committee are as follows:

- (I) to conduct research and make recommendations on the Company's long-term development plans, business goals and development strategies;
- (II) to conduct research and make recommendations on business strategies of the Company, including but not limited to product strategy, market strategy, marketing strategy, research and development strategy, and talent strategy;
- (III) to conduct research and make recommendations on the major strategic investments and financing plans of the Company;
- (IV) to conduct research and make recommendations on the major capital arrangements and asset operation projects of the Company;
- (V) to conduct research and make recommendations on other significant issues affecting development strategy of the Company;
- (VI) to follow up and inspect the implementation of the above matters;
- (VII) other matters authorized by the Board and other matters involved in relevant laws and regulations.

Article 8 The Strategy Committee shall be accountable to the Board and proposals of the Strategy Committee shall be submitted to the Board for its consideration and decision. The Strategy Committee shall discuss the matters within its scope of duties, and then submit the results of discussion as a proposal to the Board for consideration.

Article 9 The primary duties of the convener/chairman of the committee are:

- (I) to convene and preside over meetings of the committee;
- (II) to supervise and inspect the work of the committee;
- (III) to sign relevant documents of the committee;
- (IV) to report to the Board on the work of the committee;
- (V) to perform other duties and responsibilities as required or conferred by the laws, administrative regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, the rules of procedures and the Board.

Article 10 The primary duties of members of the Strategy Committee are:

- (I) to attend meetings of the committee as scheduled, express opinions on matters for discussion at the meetings, and exercise voting rights;
- (II) to suggest topics for discussion at the meetings of the committee;
- (III) to attend or sit-in the relevant meetings of the Company as audience and conduct investigative studies and obtain the required relevant information, such as reports, documents and information, for the purpose of performing duties;
- (IV) to fully understand the duties and responsibilities of the committee and his/her own duties as a member of the committee, familiarize with the operation and management conditions, business activities and development status of the Company relating to his/her duties, ensure his/her capabilities in performing his/her duties;
- (V) to provide full assurance for the working time and efforts required to perform his/her duties;
- (VI) to perform other duties and responsibilities as required or conferred by laws, administrative regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, the rules of procedures and the Board.

Chapter IV Rules of Procedure

Article 11 The Strategy Committee shall hold meetings on an irregular basis annually as proposed by the convener/the chairman of the committee. Notices of meetings shall be given to all members of the committee three days prior to the meetings. Meetings shall be presided over by the convener/the chairman of the committee. The convener/the chairman of the committee may, when unable to attend the meeting, authorize another committee member to preside over the meeting in his/her stead.

Article 12 The notice of a Strategy Committee meeting shall at least include the followings:

- (1) the time and location of the meeting;
- (2) the duration of the meeting;
- (3) matters to be discussed at the meeting;
- (4) the contact person of the meeting and contact details;
- (5) the date of the notice of the meeting.

Article 13 Meetings of the Strategy Committee shall be held only when attended by more than two-thirds of its members. Each member shall have one vote. The resolutions made at the meetings shall be approved by more than half of all members, including those who did not attend the meeting.

Article 14 The voting at the meetings of the Strategy Committee shall be by a show of hands or by poll and may be conducted through telecommunication when necessary.

Article 15 A member of the Strategy Committee may attend a meeting in person or authorize another member to attend the meeting and exercise voting rights on his/her behalf. Each Strategy Committee member may only authorize another member to exercise voting rights on his/her behalf at a meeting. Where a member authorizes two or more other members to exercise voting rights on his/her behalf, such authorization shall be invalid.

Article 16 If a member of the Strategy Committee authorizes another member to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the presider of the meeting. The power of attorney shall be submitted to the presider of the meeting no later than the voting at the meeting.

Article 17 The power of attorney shall at least include the followings:

- (1) the name of appointer;
- (2) the name of proxy;
- (3) matters delegated;
- (4) instruction on the exercise of voting right over the meeting agenda (for, against or abstained) and, where no specific instruction is made, explanation on the capacity of proxy to vote on his/her will;
- (5) the expiry date of the power of attorney;
- (6) the date of signing of the power of attorney.

The power of attorney shall be signed by both of the appointer and proxy.

Article 18 Members of the Strategy Committee who have neither attended the meeting in person nor appointed another committee member to attend the meeting on their behalf are deemed to be absent from the relevant meeting.

Should a member fail to attend the meetings of the Strategy Committee twice in a row, he/she shall be deemed to be unable to properly carry out his/her duties and the Board of the Company may remove him/her from his/her position as a member upon approval by the shareholders' meeting.

Article 19 The Strategy Committee may invite other directors, supervisors and other senior management of the Company to attend meetings of the Strategy Committee when necessary.

Article 20 After the presider of the meeting of the Strategy Committee announces the commencement of a meeting, the corresponding content of the motions under each agenda will be discussed in proper order.

Article 21 The members of the Strategy Committee would be free to discuss the subject matters considered at the meeting, but order shall be maintained at the meeting. No speaker shall use any offensive or other insulting or threatening language.

The presider of the meeting shall have the right to decide the time for discussion.

Article 22 Matters proposed at the Strategy Committee meeting are subject to collective consideration and voting on a case-by-case basis, i.e. all the proposals are considered by all members present and then are put to vote one by one according to the order of consideration.

Article 23 Members present at the meeting shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes.

Article 24 The Strategy Committee may, where necessary, engage intermediaries to provide professional opinions on its decision-making, and the expenses incurred shall be paid by the Company.

Article 25 The convening procedures, voting method and resolutions passed at the meetings of the Strategy Committee shall comply with the provisions of relevant laws and regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, the Articles of Association and the Terms of Reference.

Article 26 The Strategy Committee shall keep minutes for its meetings. The members of the committee who attended the meetings shall sign on the minutes. The minutes of the meetings shall be kept by the secretary to the Board of the Company for no less than ten years.

Article 27 The minutes of the Strategy Committee meetings shall at least include the followings:

- (1) the date, venue and name of convener of the meeting;
- (2) the names of the attendees with specific notes on whether a proxy is appointed for the meeting;
- (3) the meeting agenda;
- (4) the key points of the members' speeches;
- (5) the voting method and poll results of each resolution or proposal (the voting results shall specify the number of votes cast in favor, against, or abstained);
- (6) other matters that need to be indicated and recorded in the meeting minutes.

Article 28 Members present at the meetings and persons attending such meetings shall perform a duty of confidentiality regarding matters discussed at such meetings. No unauthorized disclosure of such information shall be allowed.

Article 29 The convener of the Strategy Committee or another member designated by the convener shall follow and monitor the implementation of the resolutions of the Strategy Committee and may request and supervise persons concerned to remedy the violations of the resolutions found. Should the persons concerned fail to follow such instructions, the convener of the Strategy Committee or his/her designated member shall report the situation to the Board of the Company which will be responsible to manage the case.

Chapter V Supplementary Provisions

Article 30 The Board shall be responsible for the interpretation of the Terms of Reference.

Article 31 The Terms of Reference shall be deliberated and approved by the Board, and shall come into force and be implemented from the day on which H Shares of the Company in the public offering are listed and traded on the main board of Hong Kong Stock Exchange.

Article 32 For any matters not covered by the Terms of Reference or in any event that the Terms of Reference contravene relevant laws, regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, as well as the Articles of Association, the latter shall prevail. In case of any inconsistency between the Terms of Reference and any future laws, regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, as well as the Articles of Association, the latter shall prevail.