

# **Shenzhen Xunce Technology Co., Ltd.**

## **Terms of Reference of the Strategy Committee of the Board of Directors**

### **Chapter I General Provisions**

**Article 1** To facilitate the strategic development, enhance the core competitiveness, determine the development plan of Shenzhen Xunce Technology Co., Ltd. (hereinafter referred to as the “**Company**”), enhance the investment decision-making procedures, strengthen the scientific decision-making process, and improve the efficiency of decision-making and the quality of such decisions in major investments, the Company has established the Strategy Committee under the Board of Directors (hereinafter referred to as the “**Committee**”), which is a dedicated organization responsible for the long-term development strategies and major investment decisions of the Company.

**Article 2** To ensure the Committee to operate in a standard and efficient manner, these terms of reference are formulated by the Board of Directors of the Company in accordance with the “Company Law of the People’s Republic of China” (hereinafter referred to as the “**Company Law**”), the “Code of Corporate Governance for Listed Companies”, the “Articles of Association of Shenzhen Xunce Technology Co., Ltd.” (hereinafter referred to as the “**Articles of Association**”) and other relevant regulations.

### **Chapter II Composition and Responsibilities**

**Article 3** The Committee shall be comprised of three individuals.

**Article 4** The Committee shall have one chairman.

**Article 5** The chairman and members of the Committee shall be nominated by more than one-half of the independent non-executive directors or more than one-third of all directors, and elected by the Board of Directors of the Company.

**Article 6** The term of office of the Committee shall be consistent with that of the Board of Directors. Members of the Committee shall be eligible for re-election upon the expiration of his/her term of office. During his/her term of office, if any member ceases to be a director or an independent non-executive director of the Company, or any member as an independent non-executive director ceases to have the independence as required by the Company Law, the Listing Rules and the Articles of Association, he/she shall automatically be disqualified as a member. In order to conform to the requirements in this terms of reference on the composition of the Committee, the Board of Directors shall fill the vacancy in a timely manner according to Article 5 herein. The term of office of the replacing member shall hold office until the expiration of such member’s term of office as a director or an independent non-executive director.

## **Chapter III Duties and Authorities**

**Article 7** The main duties and authorities of the Committee include:

- (1) to review the overall development strategy plan and the development strategy plan for projects of the Company and make recommendations to the Board of Directors;
- (2) to evaluate the overall development condition of various businesses of the Company and make recommendations on the adjustment of development strategy plan to the Board of Directors in a timely manner;
- (3) to review the operation plan, investment and financing plans of the Company and make recommendations to the Board of Directors;
- (4) to review the annual financial budget and final account statement and make recommendations to the Board of Directors;
- (5) to supervise and inspect the implementation of the operation plan and investment plans of the Company;
- (6) to evaluate the corporate governance of the Company and make recommendations to the Board of Directors;
- (7) to perform other duties as provided for by laws, regulations, rules, regulatory documents and the Articles of Association, and as authorized by the Board of Directors.

## **Chapter IV Rules of Procedure**

**Article 8** Regular meetings of the Committee shall be held at least once a year. The Board of Directors, the chairman of the Committee or more than half of the Committee members shall have the right to propose to convene an extraordinary meeting of the Committee.

**Article 9** The Committee shall serve a notice of meeting on all members three days before the meeting is convened. The meeting shall be presided over by the chairman of the Committee or, if the chairman of the Committee is not able to be present, another member authorized to do so. Where a meeting needs to be urgently convened due to special reasons, such meeting will not be subject to the notice period mentioned above, but the chairman of the Committee shall provide an explanation at the meeting.

**Article 10** The notice of meeting shall be dispatched in writing by hand, facsimile, registered mail or e-mail. In case of emergency, the notice can be sent by telephone, and such notice shall at least include the time and venue of the meeting, the manner to convene the meeting, as well as an explanation on the urgency to convene the meeting as soon as possible, and provide a written notice afterwards.

**Article 11** The quorum of a meeting of the Committee shall be more than half of the Committee members. Members of the Committee shall attend the Committee meetings in person. If a member is unable to attend the meeting for any reason, he/she shall authorize another member as proxy with written proxy to attend and vote on his/her behalf.

**Article 12** Meetings of the Committee can be held on the spot, or via telephone, video or by adoption of written resolution.

**Article 13** Meetings of the Committee shall vote by a show of hands or by poll. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members. Where there is an opposing view, the opinion of the member casting the opposing vote shall be filed.

**Article 14** Matters approved at the meetings of the Committee that fall within the scope of the duties of the Board of Directors shall be submitted in writing to the Board of Directors for consideration.

**Article 15** Where necessary, directors, supervisors and senior management of the Company and persons involved in the relevant deliberations may be invited to attend a meeting of the Committee as observers.

**Article 16** The Committee may engage external experts to attend meetings at the Company's expense, if necessary.

**Article 17** The external experts engaged by the Committee are mainly responsible for providing advisory opinions and professional recommendations on the professional issues involved in the matters discussed at the meetings.

**Article 18** Experts engaged by the Committee to attend meetings shall have the right to make recommendations without the right to vote.

**Article 19** The Committee shall keep minutes of meeting, and members present at the meeting shall sign on the meeting minutes. Members present at the meeting can request to have the speech they make in the meeting recorded in the minutes.

**Article 20** The minutes of the meetings of the Committee shall be kept as a company file for a period of ten years, together with the signatures of the members attending the meetings and the proxy forms.

**Article 21** Members present at a meeting and other attendees shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.

## **Chapter V    Supplementary Provisions**

**Article 22**    Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association. The terms “more than” and “at least” as mentioned herein include the stated number.

**Article 23**    Any matters not covered herein or any discrepancy between these terms of reference and the relevant laws, regulations, rules, regulatory documents and the provisions of the Articles of Association, the relevant laws, regulations, rules, regulatory documents and the provisions of the Articles of Association shall prevail.

**Article 24**    These terms of reference shall become effective after being considered and passed by the Board of Directors.

**Article 25**    These terms of reference shall be interpreted and amended by the Board of Directors.