

# **ESTUN AUTOMATION CO., LTD**

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

### **(Applicable upon the Issuance and Listing of H Shares)**

#### **Chapter 1 General Provisions**

**Article 1** In order to meet the strategic development needs of ESTUN AUTOMATION CO., LTD (the “Company”), enhance the Company’s core competitiveness, optimize the investment decision-making process, strengthen scientific decision-making, improve decision-making quality, and enhance the Company’s corporate governance structure, these Terms of Reference are formulated in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association of ESTUN AUTOMATION CO., LTD (the “Articles of Association”), and other relevant regulations.

**Article 2** The Strategy Committee of the Board of Directors (the “Board”) is a specialized committee established under the Board and shall be accountable to the Board. Its primary duties are to conduct research on the Company’s long-term development strategies and major investment decisions and to make recommendations thereon.

#### **Chapter 2 Composition**

**Article 3** The Strategy Committee shall consist of not fewer than three directors, including at least one independent director.

**Article 4** Members of the Strategy Committee shall be elected by the Board. The Committee shall have one chairperson (convener), who shall be elected by the Committee and responsible for presiding over the work of the Committee.

**Article 5** The term of office of the Strategy Committee shall be the same as that of the Board. Upon expiry of the term, members may be re-elected for consecutive terms. Should any member cease to hold the position of director of the Company during the term of office, he or she shall automatically lose his or her qualification as a member, and the vacancy shall be filled in accordance with Articles 3 to 4 above.

**Article 6** The securities affairs department shall be responsible for providing professional support and comprehensive services to the Strategy Committee.

### **Chapter 3 Functions and Powers**

**Article 7** The main duties of the Strategy Committee are as follows:

- (i) to understand domestic and international economic developments, industry development trends, and national and industry policy directions, and to conduct research on and make recommendations regarding the Company's long-term strategic plans and development direction;
- (ii) to evaluate the strategic plans, development objectives, business plans, and implementation processes formulated by the Company;
- (iii) to conduct research on and make recommendations regarding major investment proposals that are subject to approval by the Board as stipulated in the Articles of Association;
- (iv) to conduct research on and make recommendations regarding major capital operation projects that are subject to approval by the Board as stipulated in the Articles of Association;
- (v) to conduct research on and make recommendations regarding other significant matters affecting the development of the Company;
- (vi) to review the implementation of the above matters; and
- (vii) other matters authorized by the Board.

### **Chapter 4 Committee Meetings**

**Article 8** Meetings of the Strategy Committee shall be convened at the proposal of the chairperson or more than half of the members. Notice of the meeting shall be given to all members three days prior to the meeting. In urgent circumstances where an extraordinary meeting of the Strategy Committee must be convened as soon as possible, such notice may be given at any time by telephone or orally, provided that the convener shall give an explanation at the meeting. Meetings shall be presided over by the chairperson. If the chairperson is unable to attend, another member may be entrusted to preside over the meeting.

**Article 9** Meetings of the Strategy Committee shall be held with the attendance of more than half of its members. Each member shall have one vote. Resolutions of the meeting shall be passed by more than half of all members.

**Article 10** Voting at the meetings shall be conducted by a show of hands or by ballot, and may also be conducted by means of communication.

**Article 11** The Strategy Committee may invite directors, senior management member, and other relevant personnel of the Company to attend its meetings.

**Article 12** Where necessary, the Strategy Committee may engage intermediaries to provide professional advice for its decision-making at the expense of the Company.

**Article 13** When the Strategy Committee meeting discusses matters relating to a member of the Committee, the person concerned shall recuse himself or herself from the discussion.

**Article 14** The convening procedures, voting methods, and resolutions of the Strategy Committee meetings shall comply with relevant laws and regulations, the Articles of Association, and these Terms of Reference.

**Article 15** Minutes shall be prepared for meetings of the Strategy Committee. Members attending the meeting shall sign the minutes, and the opinions of independent directors shall be recorded therein. The minutes shall be kept by the secretary to the Board of the Company for a period of not less than ten years.

**Article 16** The opinions formed from the research conducted by the Strategy Committee meetings shall be submitted to the Board of the Company in writing.

**Article 17** Members attending the meeting shall be under an obligation of confidentiality in respect of the matters discussed at the meeting and shall not disclose any relevant information without authorization.

**Article 18** The securities affairs department shall be responsible for the preparatory work of the matters to be studied by the Strategy Committee and for collecting and providing relevant information.

## **Chapter 5 Supplementary Provisions**

**Article 19** For the purposes of these Terms of Reference, the expressions “over” and “less than” shall exclude the number mentioned.

**Article 20** These Terms of Reference shall be interpreted by the Board.

**Article 21** Any matters not covered in these Terms of Reference or, where the provisions hereof are inconsistent with the relevant provisions of the national laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association, such provisions of the relevant laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association shall prevail. In the event of any conflict between these Terms of Reference and any laws, regulations, rules, or securities regulatory rules of the place where the Company’s shares are listed that are promulgated thereafter, or the Articles of Association as amended through lawful procedures, such laws, regulations, rules, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association shall prevail.

**Article 22** These Terms of Reference shall take effect and be implemented from the date on which the Company’s H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited after filing with the China Securities Regulatory Commission, following consideration and approval by the Board. Upon the effectiveness of these Terms of Reference, the original Terms of Reference of the Strategy Committee of the Board of Directors of the Company shall automatically cease to be effective.