

The Implementation Rules of the Strategic Development Committee of the Board of Directors

*(Amended at the 12th meeting of the 9th session of the Board of Directors
and effective from 27 March 2020)*

Chapter 1 General Provisions

- Article 1 In order to meet the need for Chengdu Potevio Telecommunication Cable Co., Lid (herein below "the Company" for short) to develop, to enhance the core competitiveness of the Company, to determine the planning of the Company's development, to perfect the effect of investment policy, to make our policies more scientific and promote the efficiency and quality of our heavy investment policies, and to improve the managing structure of the Company, the Company, according to *the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies in China, the Articles of Association*, and other regulations, set up the Strategic Development Committee and drafted this implementation details.
- Article 2 This Strategic Development Committee of the Board of Directors is a specialized working organization set up by the board of directors of the Company according to the decision made at the Annual General Meeting, whose job is to research the development tactics and heavy investment decisions, and put forward proposals.

Chapter 2 Member Composition

- Article 3 The Strategic Development Committee consists of five members, among whom is at least one independent non-executive director.
- The committee members shall be nominated by the Chairman of the board of directors, more than half of the independent non-executive directors or more than one third of the total directors, and then shall be elected by the board of directors.
- Article 4 There is one director committee member for the Strategic Development Committee, who shall be produced through voting by the members of the Strategic Development Committee. In case that the Chairman of the board of directors of the Company has been elected to be a member of the Strategic Development Committee, he (or she) shall take the post of the director member of the Strategic Development Committee.
- Article 5 The term of membership of the Strategic Development Committee is the same as that of a director. When the term expires, the membership can be continued to the next term through re-election. In the duration of the term, if the member of the Strategic Development Committee is no longer a director, his (or her) membership of the Strategic Development Committee shall be lost automatically, and the board of directors shall replenish the number of the member according to the above mentioned Article 3 ~ 5.
- Article 6 The Company Office is used as the working spot of the Strategic Development Committee coordinating and communicating the work engaged by the Strategic Development Committee, offering the corresponding services for the Strategic Development Committee to research and

collect information, work out resolutions and hold meetings.

Chapter 3 Obligation and Competence

Article 7 The major obligation and competence of the Strategic Development Committee are as follows:

1. Researching the long and mid-term development strategic planning of the Company and putting forward proposals.
2. Researching the heavy investment or financing resolutions, great capital and assets operations which are regulated in the Articles of Association to be sanctioned by the board of directors, and putting forward proposals.
3. Responsible for determining the Company's management policy, strategy and target on environment, social and governance; reviewing the Company's relevant risks on environment, social and governance; establishing the Company's management system on environment, social and governance; formulating and monitoring the execution of the policy and strategy and approving the Company's environment, social and governance report.
4. Researching other significant events that influence the development of the Company, and putting forward proposals.
5. Examining the implementation of the above mentioned items.
6. Other matters the board of directors has authorized it to do.

Article 8 The Strategic Development Committee is responsible to the board of directors, and its proposal shall be submitted to the board of directors.

Chapter 4 Decision Making Procedure

Article 9 The directors, supervisors, general manager and other senior managers can put forward strategic or investment resolutions. The Company authorities shall take the earlier-stage job of the Strategic Development Committee, and presents all the documents and materials related to the decisions. The decision procedure that the Strategic Development Committee must go through are follows:

1. The documents and materials about the heavy investment, capital operations, the intention of assets operating items, the preliminarily audited feasibility reports and the basic information about the co-operating parties shall be submitted to the higher managing level by the related functioning department of the Company or the persons in charge of the holding or equity participation enterprises.
2. The authorities of the Company shall make the preliminary audit to the intended items of investment, and the general manager of the Company shall sign and issue the letter of

suggestion and report it to the Strategic Development Committee of the board of directors of the Company for the record.

3. The related functioning department of the Company or the persons in charge of the holding or equity participation enterprises, according to the comment of the Company authorities to the preliminary audit, shall have talks with the external parties for the related protocols, contracts, regulations and feasibility reports, and report the related contents to the Company authorities.

4. The formal proposals, after preliminarily audited by the Company authorities and signed and issued in written form by the general manager, shall be officially submitted to the Strategic Development Committee.

Article 10 The Strategic Development Committee of the board of directors shall hold meetings according to the proposals from the Company authorities, and have talks and discussions. The results of discussion shall be returned to the Company authorities.

Chapter 5 Rules of Procedure

Article 11 The Strategic Development Committee shall hold at least one meeting per year. All the members of the Strategic Development Committee shall be informed 3 days before the convening of the meeting. The meeting shall be presided over by the director member. In case that the director member cannot present the meeting, he (or she) shall ask another member to preside over the meeting on his (or her) behalf.

Article 12 Only when the attendance at the meeting is more than half of the total members can the meeting be held. Each member shall have one ballot to vote. Only when a decision made at the meeting is voted through by more than 1/2 of the total members, can it be efficient.

Article 13 The forms for the members of the board of directors to vote shall be showing-hand or casting-vote. The meeting can be held by communication voting.

Article 14 During the session, if necessary, the Strategic Development Committee can invite the directors, supervisors and other senior managers to attend the meeting as nonvoting delegates.

Article 15 During the session, if necessary, the Strategic Development Committee may have an intermediary organization for professional ideas to make the decision, and the Company shall pay for it.

Article 16 The convening procedure, voting forms and the passed proposals of the Meeting of the Strategic Development Committee of the board of directors must observe the related laws, legal rules, the Articles of Association and the regulations of the Rules of Procedure.

Article 17 The Meeting of the Strategic Development Committee of the board of directors must have the meeting record. The attending members shall sign on the meeting record. The meeting record shall be kept by the Secretary of the board of directors.

Article 18 The proposals passed at the Meeting of the Strategic Development Committee of the board of

directors and the voting results must be reported in written form to the board of directors of the Company.

Article 19 It is the duty for all the members attending the meeting to keep the discussed matters at the meeting in secrecy. The attendant shall not disclose anything without permission, otherwise he (or she) shall assume legal reliability for the consequence.

Chapter 6 Annexes

Article 20 This Implementation Details shall act as a trial implementation from the date on which the proposal from the board of directors is approved.

(The English version of this document is for reference only. In case of discrepancies or inconsistency between the English version and Chinese version, the Chinese version shall prevail.)