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ZTE CORPORATION

中興通訊股份有限公司

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

(Stock Code: 763)

**NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING
OF 2020**

The Company and all the members of the Board of Directors confirm that all the information contained in this information disclosure is true, accurate and complete without any false or misleading statement or material omission.

NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2020 (the “EGM”) of ZTE Corporation (the “Company”) will be held at the 4/F Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People’s Republic of China at 3:30 p.m., on Friday, 6 November 2020 to consider and, if thought fit, approved the following resolutions. Unless the context otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 21 October 2020:

Special Resolutions

- 1. Resolution on the “2020 Share Option Incentive Scheme (Draft) of ZTE Corporation” (the “2020 Scheme”) and its summary**
- 2. Resolution on the “2020 Share Option Incentive Scheme Performance Appraisal System of ZTE Corporation”**
- 3. Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the 2020 Share Option Incentive Scheme**

A mandate be granted to the Board giving it full discretion in dealing with matters relating to the 2020 Scheme. The terms and scope of the mandate shall include but shall not be limited to:

- (1) To confirm the qualifications and conditions of Participants for participation in the 2020 Scheme, to confirm the list of Participants and the number of share options to be granted and to confirm the grant price of the subject shares;
- (2) To examine and confirm whether the Company and the Participants are qualified to exercise their options and are in compliance with the conditions for exercise and to examine and confirm the number and amount of options to be exercised;
- (3) To determine the date of grant and method of exercise for the 2020 Scheme, decide whether the Participants may exercise their options, grant share options to Participants upon their fulfillment of relevant conditions and handle all matters required for the grant and exercise of share options;
- (4) To adjust the number of Options or the exercise price of the Options in accordance with the principles and in the manner stipulated under the 2020 Scheme in the event of any capitalisation issue, bonus issue, sub-division or rights issue or consolidation of Shares in relation to the A Shares of the Company;
- (5) To decide upon changes in the process of implementation of the 2020 Scheme based on actual conditions, including but not limited to annulling the qualifications of the Participants for exercising their options, cancelling outstanding share options of the Participants and withdrawal and cancellation of unexercised share options of the Participants;
- (6) To manage and adjust the 2020 Scheme based on actual conditions and, subject to the terms and principles of the 2020 Scheme, to formulate or modify provisions for the administration and implementation of the 2020 Scheme from time to time, provided that if such modifications are required by the laws, regulations or relevant regulatory authorities to be subject to the approval of the general meeting of the Company and / or relevant regulatory authorities, the corresponding approvals for such modifications by the Board must be obtained;
- (7) To sign, execute, modify and terminate any agreements relating to the 2020 Scheme and other relevant agreements;
- (8) To authorise the Board to adjust the relevant terms of the 2020 Scheme in accordance with any amendments to relevant laws, regulations, rules and regulatory documents in the event of such amendments;
- (9) To appoint receiving banks, accountants, legal advisers and other

intermediaries for the implementation of the 2020 Scheme;

- (10) To conduct other necessary matters required for the implementation of the 2020 Scheme, save for rights expressly stipulated in relevant documents to be exercised by the general meeting of the Company;
- (11) To process examination, registration, filing, ratification, approval and other procedures with relevant governments and authorities in connection with the 2020 Scheme; to sign, execute, modify and complete documents submitted to relevant governments, authorities, organisations and individuals; and to do all acts, deeds and matters it deems necessary, proper or appropriate in connection with the 2020 Scheme;
- (12) The mandate granted to the Board shall be coterminous with the 2020 Scheme.

Save for matters expressly stipulated by the law, administrative regulations, rules of the CSRC, regulatory documents, the 2020 Scheme or the Articles of Association to be approved by the Board of Directors by way of resolution, other authorisations described above may be exercised by the chairman of the Board or other suitable persons on behalf of the Board upon its delegation.

Ordinary Resolutions

- 4. Resolution on “Management Stock Ownership Scheme (Draft) of ZTE Corporation” and its summary**
- 5. Resolution on “Measures for the Administration of the Management Stock Ownership Scheme of ZTE Corporation”**
- 6. Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the Management Stock Ownership Scheme**

A mandate be granted to the Board giving it full discretion in dealing with matters relating to the Management Stock Ownership Scheme. The terms and scope of the mandate shall include but shall not be limited to:

- (1) To formulate the specific plan for the Management Stock Ownership Scheme, including but not limited to the determination of the number of target participants, eligibility of target participants, finalised list of target participants, source of fund, size of scheme, volume and price of subject shares, term, lock-up period and management, among others, within the framework of the “Management Stock Ownership Scheme (Draft) of ZTE Corporation” considered and approved at the general meeting based on the

actual conditions of the Company in accordance with pertinent provisions of applicable laws, regulations and regulatory authorities and resolutions of the general meeting;

- (2) To make adjustments to matters pertaining to the Management Stock Ownership Scheme according to the opinions of regulatory authorities, policy changes or changes in market conditions, other than matters required to be put to vote again at the general meeting under pertinent laws, regulations and the Articles of Association and handling matters pertaining to the Management Stock Ownership Scheme, including consideration of any modifications, extension (including extension of the term) and termination (including early termination), among others;
- (3) To process with full discretion various approvals required by the Management Stock Ownership Scheme in accordance with pertinent provisions, including but not limited to the processing of ratifications, filings, registrations and declarations, among others, as well as the preparation, revision, submission and endorsement of relevant materials, and the disclosure of information in accordance with pertinent provisions of relevant laws, regulations and listing rules of the stock exchange of the place where the Company's securities are listed;
- (4) To confirm the asset management agency and custodian of the Management Stock Ownership Scheme in accordance with pertinent provisions of applicable laws, regulations and regulatory authorities and resolutions of the general meeting to assist the Company in the implementation of the Management Stock Ownership Scheme;
- (5) To handle formalities relating to the securities accounts, fund accounts and other relevant accounts involved in the Management Stock Ownership Scheme, as well as all matters pertaining to the registration, settlement, lock-up and unlocking of share purchased;
- (6) To deal with other matters as are required under the Management Stock Ownership Scheme, other than rights specifically required to be exercised by the general meeting under pertinent provisions;
- (7) Authorisation for the Board to delegate authorisations set out in (3) to (5) above to the Company's management for handling in accordance with pertinent regulations and processes, unless otherwise required under pertinent laws, regulations, regulatory documents and the Articles of Association, subject to the obtaining of the aforesaid authorisations.

If any of the aforesaid matters delegated to the Board by the general meeting require consideration at a meeting of the Holders of the Management Stock Ownership Scheme, such matters shall be submitted to the Holders' meeting or the management committee authorised by the Holders' meeting. The aforesaid authorisation shall come into effect on the date on which the Management Stock Ownership Scheme is being considered and approved at the general meeting of the Company and remain effective until the completion of the implementation of the Management Stock Ownership Scheme.

Resolution No. 1, 2 and 3 are special resolutions which shall require the approval of two-thirds of the voting rights held by shareholders attending the EGM in order to be passed. Resolution No. 4, 5 and 6 are ordinary resolutions which shall require the approval of one-second of the voting rights held by shareholders attending the EGM in order to be passed. The resolutions have been considered and approved at the Twenty-fifth Meeting of the Eighth Session of the Board of Directors of the Company held on 12 October 2020. For the details of the aforesaid resolutions, please refer to the relevant announcements published by the Company on 12 October 2020.

Proxy Form for the Solicitation of Voting Rights by Independent Non-executive Directors (“Independent Director's Proxy Form”)

Pursuant to the Administrative Measures on Share Incentives of Listed Company (《上市公司股權激勵管理辦法》) (“**Incentive Measures**”), the independent non-executive directors of a listed company shall solicit voting rights from all shareholders of the company in the event of the proposed adoption of a share option scheme by such company. The solicitation is intended to provide shareholders of such listed company with an alternative approach to participation in general meetings, so as to encourage them to vote on the resolution in respect of the adoption of a share option scheme. Pursuant to the Incentive Measures and the authorisation of other independent non-executive Directors, Ms. Cai Manli, an independent non-executive Director, has sent out an Independent Director's Proxy Form to solicit voting rights from the Shareholders. For further details of the Independent Director's Proxy Form, please refer to the Report on the Solicitation of Voting Rights by the Independent Non-executive Directors included in the announcement of the Company dated 12 October 2020.

Should you wish to appoint Ms. Cai Manli as your proxy to vote for you and on your behalf at the EGM on the resolutions relating to the 2020 Scheme, the Management Stock Ownership Scheme and the related matters, please complete and return the Independent Director's Proxy Form to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by hand or by post, no later than 24 hours

before the time appointed for holding the EGM or any adjournment thereof.

You may appoint Ms. Cai Manli as your proxy to vote for you and on your behalf solely on resolutions relating to the 2020 Scheme, the Management Stock Ownership Scheme and the related matters. If you wish to appoint persons other than Ms. Cai Manli as your proxy to vote for you and on your behalf on all resolutions at the EGM, you may complete and return the proxy form only and disregard the Independent Director's Proxy Form.

Please note that if you have completed and returned both the proxy form and the Independent Director's Proxy Form, but have given inconsistent voting instructions on the resolutions concerned between the proxy form and the Independent Director's Proxy Form, your voting instructions given in the Independent Director's Proxy Form will be counted as your vote for or against the resolutions or abstain from voting on the resolutions in relation to the 2020 Scheme, the Management Stock Ownership Scheme and the related matters.

Notes:

1. **The Company will close its H share register from Tuesday, 3 November 2020 to Friday, 6 November 2020 (both days inclusive) to determine qualifications of shareholders to attend and vote at the EGM. Any H Shareholder who wishes to attend and vote at the EGM shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m., Monday, 2 November 2020.**

2. In order to be valid, the instruments appointing a proxy (including the proxy form and the Independent Director's Proxy Form) and the power of attorney or other authorization documents (if any) of the signatory or notarized copies of such power of attorney or authorization documents must be completed and deposited, no later than 24 hours before the time appointed for holding the EGM or any adjournment thereof at Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H shareholders). The completion and return of the proxy form and/or the Independent Director's Proxy Form shall not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof if he so wishes.

3. A Shareholder entitled to attend and vote at the EGM shall be entitled to appoint another one or more proxies to attend and vote for him. A proxy need not be a shareholder of the Company.

4. In case of joint holders of a share, any one of such holders is entitled to vote at the EGM, by himself or by proxy, as if he is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the EGM personally or by proxy.

5. The EGM is expected to last for half a day. All transportation and accommodation expenses incurred by shareholders or their proxies in attending the EGM shall be borne by themselves. Shareholders or their proxies attending the EGM shall be required to produce identifications.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
21 October 2020

As at the date hereof, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Gordon Ng, Zhuang Jiansheng.