



**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)**

## **Working Rules for Export Compliance Committee of the Board of Directors**

### **Chapter I - General Provisions**

**Article 1** – In order to ensure compliance in relation to export matters of the Company, the Company has set up an Export Compliance Committee under the board of directors (the “Board”) of the Company and formulated these working rules (the “Rules”) in accordance with the applicable laws and regulations.

**Article 2** – The Export Compliance Committee of the Board is a specialized working body set up by the Board pursuant to the Articles of Association, and is mainly responsible for overseeing compliance with export control and economic sanctions laws.

### **Chapter II – Composition of the Committee**

**Article 3** – The Export Compliance Committee shall comprise no less than three Directors elected by the Board of the Company, of which majority should be Independent Non-executive Directors and at least three should be Independent Non-executive Directors. At least one member of the Export Compliance Committee shall have relevant experience during the recent period before appointment regarding compliance with export control and economic sanctions laws, including the export control and economic sanctions laws of the United States.

**Article 4** – The Export Compliance Committee shall have one chair responsible for presiding over the work of the committee. The chair must be elected among committee members who are Independent Non-executive Directors.

**Article 5** – The Chairman of the Board may be a member of the Export Compliance Committee, but may not chair the Export Compliance Committee.

**Article 6** – The term of office for a member of the Export Compliance Committee shall be concurrent with the term of his/her directorship. A committee member may be re-elected for appointment upon the conclusion of his/her term of office. A committee member shall be automatically disqualified as such if during his/her term of office he/she ceases to be a Director of the Company, and the Export Compliance Committee shall make up the number of committee members in accordance with the provisions set out in Articles 3 to 5 above.

### **Chapter III - Scope of Authority**

**Article 7** – The principal duties and scope of authority of the Export Compliance Committee shall be:

(i) to understand the adequacy and effectiveness of the internal policies and procedures of the Company and plans for enhancement regarding compliance with export control and economic sanctions laws, including through quarterly reports from the Chief Export Compliance Officer;

(ii) to examine the export control and economic sanctions compliance functions of the Company;

(iii) to receive and review audit reports and any other reports regarding the Company's compliance with applicable export control and economic sanctions laws submitted by the Company's management and any such audit reports or other reports submitted by external auditors and other parties, including but not limited to (a) the Special Compliance Coordinator appointed pursuant to the 7 June 2018 Superseding Settlement Agreement between the Company and the United States Department of Commerce Bureau of Industry and Security, and (b) the third-party compliance monitor appointed pursuant to the 6 March 2017 Plea Agreement between the Company and the United States Department of Justice; and

(iv) to deal with other matters as authorized by the Board.

### **Chapter IV - Resources**

**Article 8** – The Export Compliance Committee shall be provided with sufficient resources for the due performance of its duties. The Export Compliance Committee is authorized by the Board to obtain independent professional opinion from external parties

if it deems necessary, at the cost of the Company.

**Article 9** – The Export Compliance Committee is authorized to obtain from relevant personnel any information it requires relating to export control, and the relevant personnel shall duly oblige to facilitate the work of the Export Compliance Committee.

### **Chapter V - Rules of Proceedings**

**Article 10** – The Export Compliance Committee shall meet at least four times a year, and a notice of meeting shall be served on all members three days before the meeting is convened. A temporary meeting shall be held immediately for urgent issues. The meeting shall be presided over by the chair, or by another member appointed in case the chair is absent for any reason.

**Article 11** – The Export Compliance Committee meeting shall only be held with more than half of the members attending; each member shall have one vote; resolutions of the meeting shall be adopted with a majority vote from the full committee.

**Article 12** – An Export Compliance Committee meeting may be convened by way of physical meetings, video conferences, conference calls or other electronic means.

**Article 13** – Voting at an Export Compliance Committee meeting shall be conducted by way of a show of hands in case of a physical meeting and by way of signing resolutions through facsimile in case of a meeting convened through communication devices.

**Article 14** – Other Directors, Supervisors, senior management personnel of the Company and external parties with relevant experience and expertise may be invited to attend the meeting of the Export Compliance Committee as non-voting attendees where necessary.

**Article 15** – The procedures of convening an Export Compliance Committee meeting, method of voting and resolutions passed by such meeting must be in accordance with provisions of applicable laws, regulations, the Articles of Association and the Rules.

**Article 16** – Records of an Export Compliance Committee meeting shall be kept and members attending the meeting shall sign against the minutes of meeting; the minutes of

meeting shall be kept by Board Secretary of the Company in such manner and for such duration as determined by reference to the filing of Board documents. The preliminary draft and finalized version of the Export Compliance Committee minutes of meeting shall be respectively delivered to all members of the Export Compliance Committee within a reasonable period of time after the meeting, for comments in case of the preliminary draft and filing in case of the finalized version by the members.

**Article 17** – Resolutions and results of voting of an Export Compliance Committee meeting shall be reported in writing to the Board of the Company.

**Article 18** – Members attending any meetings of the Export Compliance Committee shall have the obligation to keep confidential all matters discussed at such meetings.

#### **Chapter VI - Supplemental Rules**

**Article 19** – These Rules shall come into effect from the date on which they are adopted by way of a Board resolution.

**Article 20** – The authority of interpretation of these Rules shall be vested in the Board of the Company.

Shenzhen, PRC 27 July 2018

**Note: This Working Rules has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail.**