



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)**

## **Nomination Committee Working Rules**

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

**Article 1** - In order to regulate the appointment of the Directors and senior management personnel, optimize the composition of the Board of Directors ("Board") and to improve its corporate governance structure, the Company has set up a Nomination Committee under the Board and formulated these implementation rules ("Rules") in accordance with the Company Law of the People's Republic of China, Corporate Governance Standards for Listed Companies, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"), the Articles of Association of ZTE Corporation ("Articles") and other pertinent regulations.

**Article 2** – The Nomination Committee of the Board is a specialized working body set up by the Board pursuant to a resolution of the general meeting, being mainly responsible for studying the criteria and procedures for selecting Directors and senior management personnel of the Company and making recommendations to the Board in respect thereof. References to "Directors" in these Rules shall include the Chairman, Vice Chairman, Directors and Independent Non-executive Directors of the Company; "senior management personnel" shall include the President, Executive Vice President, Senior Vice President, Board Secretary, Chief Financial Officer and any other persons designated or recognised by the Board of Directors as needed from time to time.

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

**Article 3** – The Nomination Committee shall comprise seven Directors, with the majority of them being Independent Non-executive Directors.

**Article 4** – Members of the Nomination Committee shall be nominated by the Board Chairman, more than half of the Independent Non-executive Directors or one-third of all Directors and shall be appointed through election by the Board.

**Article 5** – The Nomination Committee shall have one convener responsible for presiding over the work of the Committee. The convener must be elected among Committee members who are Independent Non-executive Directors.

**Article 6** – The term of office for a member of the Nomination 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 Committee shall make up the number of Committee members in accordance with 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 Nomination Committee shall be:

(I) to review and make recommendations to the Board in respect of the structure, size and composition (including the skills, knowledge and experience) of the Board based on the state of business operations, asset size and shareholding structure of the Company;

(II) to study the criteria and procedures for selecting Directors and senior management personnel of the Company and to make recommendations to the Board in respect thereof;

(III) to conduct extensive searches for qualified candidates for Directors and senior management personnel;

(IV) to assess the independence of independent non-executive directors;

(V) to conduct examination of candidates for Directors and senior management personnel and to make recommendations as to the appointment or re-appointment or succession planning for Directors;

(VI) to give due regard to the benefits of diversity on the Board against objective criteria in reference to the Board Diversity Policy (Annex I) when performing duties set out in paragraphs (I), (II), (III) and (V);

(VII) to review the Board Diversity Policy as appropriate and to review the measurable objectives under the Board Diversity Policy and the progress of attainment, so as to ensure effective implementation; and

(VIII) to deal with other matters as authorized by the Board of the Company.

**Article 8** – The Nomination Committee shall be accountable to the Board and proposals of the Committee shall be submitted to the Board for consideration and determination.

#### **Chapter IV – Decision-making Process**

**Article 9** – The Nomination Committee shall study the election criteria, selection process and term of office of the Directors and senior management personnel of the Company in accordance with provisions of pertinent laws and regulations and the Articles and taking into account the actual conditions of the Company, formulate resolutions and submit the same for Board approval and implement accordingly.

**Article 10** –The selection process for Directors and senior management personnel shall be as follows:

(I) The Nomination Committee shall proactively exchange views with relevant departments of the Company to study the need of the Company for new Directors and senior management personnel;

(II) The Nomination Committee may conduct extensive search for candidates for

Directors and senior management personnel among employees of the Company, its subsidiaries (associate companies) and in the open recruitment market;

(III) Information including the profession, education, professional titles, detailed work experience and all part-time jobs of the preliminary candidates shall be collected;

(IV) The nominee's consent to nomination shall be sought, failing which such nominee shall not be named as a candidate for Director and senior management personnel;

(V) A meeting of the Nomination Committee shall be convened, at which qualifications vetting of the preliminary candidates shall be carried out based on the terms of appointment for Directors and senior management personnel;

(VI) The Nomination Committee shall submit its recommendations for candidates for Directors together with relevant materials to the Board one month prior to the election of new Directors; and recommendations for candidates for new senior management personnel together with relevant materials to the Board prior to the appointment of such new senior management personnel; and

(VII) Other subsequent tasks to be undertaken pending on the decisions and feedback of the Board.

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

**Article 11** – The Nomination Committee shall meet at least once a year, and a notice of meeting shall be served on all members one week before the meeting is convened. The meeting shall be presided over by the convener, or by another member (who is an Independent non-executive Director) appointed in case the convener is absent for any reason.

**Article 12** – A Nomination 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 more than half of the votes from the full Committee voting in favor.

**Article 13** – A Nomination Committee may be convened by way of on-site meetings,

video conferences, conference calls or facsimiles.

**Article 14** – Voting at a Nomination Committee meeting shall be conducted by way of a show of hands in case of an on-site meeting and by way of signing up through facsimile in case of a meeting convened through communication devices.

**Article 15** – Other Directors, Supervisors and senior management personnel of the Company may be invited to attend the meeting of the Nomination Committee meeting as non-voting attendees where necessary.

**Article 16** – The Nomination Committee shall be provided with sufficient resources for the due performance of its duties. Where necessary, the Nomination Committee may engage an intermediary firm at the cost of the Company to furnish independent professional advice for its decision-making.

**Article 17** – The procedures of convening a Nomination Committee meeting, method of voting thereat and resolutions passed thereby must be in accordance with provisions of pertinent laws, regulations, the Articles and these Rules.

**Article 18** – Records of a Nomination 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 Nomination Committee minutes of meeting shall be respectively delivered to all members of the Nomination 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 19** – Resolutions and results of voting adopted by a Nomination Committee meeting shall be reported in writing to the Board of the Company.

**Article 20** – Members attending any meetings of the Committee shall have the obligation to keep confidential all matters discussed at such meetings and shall refrain from unauthorized disclosures of information relating thereto.

**Article 21** – The Committee shall make available the convener of the Committee (or in his absence, at least one of its members) to attend the Company's annual general meeting to

answer shareholders' questions.

## **Chapter VI - Supplemental Rules**

**Article 22** – These Rules shall come into effect from the date on which they are adopted by way of a Board resolution.

**Article 23** – Matters not provided for under these Rules shall be dealt with in accordance with the provisions of pertinent national laws and regulations and the Articles; in case of any contradiction with laws and regulations promulgated by the State in future and any revised Articles amended through legal procedures, provisions of such national laws and regulations as pertinent and such Articles shall prevail and these Rules shall be amended forthwith and submitted to the Board for consideration and approval.

**Article 24** –These Rules and the interpretation of the functions of the Nomination Committee and the authority vested therein by the Board have been published on the Company's website and the statutory website for information disclosure.

**Article 25** – The authority of interpretation of these Rules shall be vested in the Board of the Company.

Shenzhen, PRC 26 April 2013

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

## **Annex I**

# **ZTE Corporation Board Diversity Policy**

### **1. Vision and Objectives**

ZTE Corporation (the “Company”) holds the belief that board diversity will be immensely beneficial for the enhancement of the Company’s performance.

This policy aims to set out the approach adopted by the Board of the Company to achieve diversity.

### **2. Policy**

When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### **3. Measurable Objectives**

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, cultural and educational background, expertise, skills and know-how.

### **4. Monitoring and Reporting**

The Nomination Committee will disclose the composition of the Board annually in the Corporate Governance Report and monitor the implementation of this Policy.

### **5. Review of this Policy**

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.