

# **The Implementation Details of the Strategy Committee of the Board of Directors**

## **Chapter 1 General Provisions**

- Article 1 In order to meet the need for Chengdu Potevio Telecommunication Cable Co., Lid ( hereinbelow "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 Strategy Committee and drafted this implementation details.
- Article 2 This Strategy 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 Strategy 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 Strategy Committee, who shall be produced through voting by the members of the Strategy Committee. In case that the Chairman of the board of directors of the Company has been elected to be a member of the Strategy Committee, he (or she) shall take the post of the director member of the Strategy Committee.
- Article 5 The term of membership of the Strategy 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 Strategy Committee is no longer a director, his (or her) membership of the Strategy 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 Strategy Committee coordinating and communicating the work engaged by the Strategy Committee, offering the corresponding services for the Strategy 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 Strategy 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. Researching other significant events that influence the development of the Company, and putting forward proposals.

4.Examining the implementation of the above mentioned items.

5.Other matters the board of directors has authorized it to do.

Article 8 The Strategy 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 Strategy Committee, and presents all the documents and materials related to the decisions. The decision procedure that the Strategy 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 Strategy 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 Strategy Committee.

Article 10 The Strategy 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 Strategy Committee shall hold at least one meeting per year. All the members of the Strategy 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 Strategy 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 Strategy 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 Strategy 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 Strategy 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 Strategy 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 liability 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.
- Article 21 Those the Implementation Details did not cover shall be carried out according to the related state laws, legal rules and the regulations of the Articles of Association. If any conflicts occur to this Implementation Details against any state laws and legal rules issued in the future time, or against the Articles of Association amended through legal procedure, implement the new state laws, legal rules and the Articles of Association. The Implementation Details shall be immediately revised in that case and be reported to the Board of Directors for its review and approval.
- Article 22 The right to explain this Implementation Details belongs to the Board of Directors of the Company.