

**NINGBO JOYSON ELECTRONIC CORP.  
TERMS OF REFERENCE FOR THE STRATEGY AND  
ESG COMMITTEE OF THE BOARD OF DIRECTORS**

**CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to optimize the corporate governance structure, respond to its needs of strategic development, improve the management capability in respect of environmental, social and governance (“ESG”), enhance the core competitiveness, determine the development plan, improve the investment decision-making process, strengthen the scientific decision-making process, and enhance the effectiveness and quality of major investment decisions, the Company specifically established the Strategy and ESG Committee of the board of directors with these terms of reference in compliance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Ningbo Joyson Electronic Corp. (hereinafter referred to as the “Articles of Association”) and other relevant provisions.

**Article 2** The Strategy and ESG Committee of the board of directors is a specialized working body established by the board of directors. It is primarily responsible for conducting research and making recommendations on the long-term development strategies, major investment decisions, sustainable development and ESG-related policies of the Company.

**CHAPTER II COMPOSITION**

**Article 3** The Strategy and ESG Committee shall consist of seven directors, which shall include at least one independent non-executive director.

**Article 4** Members of the Strategy and ESG Committee shall be nominated by the Chairman of the board of directors, more than half of the independent non-executive directors or one-third of all the directors, and shall be elected by the board of directors.

**Article 5** The Strategy and ESG Committee shall have one chairman, who shall be the Chairman of the board of directors of the Company.

**Article 6** Members of the Strategy and ESG Committee shall satisfy the following requirements:

(I) not being subject to any prohibited circumstances that would disqualify an individual from serving as a director, supervisor, or senior management of the Company as provided by the Company Law, the Articles of Association, or the securities regulatory rules of the place where the Company’s shares are listed;

(II) not having been publicly reprimanded or declared an unsuitable candidate by the Shanghai Stock Exchange within the past three years;

(III) not having been subject to any administrative penalties from China Securities Regulatory Commission due to material violations of laws and regulations within the past three years;

(IV) possessing sound ethical character and conduct, being familiar with the industry in which the Company operates, and possessing a certain level of macroeconomic analysis and judgment capabilities with relevant professional knowledge or work experience;

(V) being in compliance with the relevant laws and regulations or the Articles of Association and otherwise under the securities regulatory rules of the place where the Company's shares are listed.

**Article 7** Persons who do not meet the eligibility requirements specified in the preceding article shall not be elected as members of the Strategy and ESG Committee. Should a member of the Strategy and ESG Committee become ineligible for office during their term due to circumstances specified in the preceding article, such member shall voluntarily resign or be removed by the board of directors of the Company.

**Article 8** When the number of members of the Strategy and ESG Committee falls below two-thirds of the prescribed number due to resignation, removal, or other reasons, the board of directors of the Company shall appoint new members as soon as practicable. Until the number of members of the Strategy and ESG Committee reaches two-thirds of the prescribed number, the Strategy and ESG Committee shall suspend the exercise of its powers as provided in these terms of reference.

**Article 9** The provisions regarding directors' duties under the Company Law and the Articles of Association shall be applicable to members of the Strategy and ESG Committee.

**Article 10** The term of the Strategy and ESG Committee shall be the same as that of the board of directors. Committee members may be re-elected upon expiry of their terms of office. Should any member cease to serve as a director of the Company during their term, they shall be automatically disqualified as a member of the Committee and the vacancy shall be filled by the Committee in accordance with the preceding provisions.

**Article 11** The Strategy and ESG Committee shall set up an Investment Evaluation and Review Panel and ESG Working Group. The head of the Investment Evaluation and Review Panel and ESG Working Group shall be the President of the Company and each panel shall have an assistant head.

### **CHAPTER III DUTIES AND AUTHORITIES**

**Article 12** The principal duties of the Strategy and ESG Committee shall be conducting research and making recommendations on the long-term development strategies, major investment decisions, and sustainable development and ESG-related policies of the Company.

**Article 13** The Strategy and ESG Committee shall report to the board of directors. The proposals of the Committee shall be submitted to the board of directors for review and decision.

### **CHAPTER IV DECISION-MAKING PROCEDURES**

**Article 14** The Strategy and ESG Committee shall undertake proper preliminary preparatory work to facilitate board of directors decision and provide the necessary basis and references for decision-making of the board of directors.

**Article 15** The Investment Evaluation and Review Panel and ESG Working Group shall be responsible for the preliminary preparatory work to facilitate decision making by the Strategy and ESG Committee and provide the relevant information of the Company, whereas:

The duties of the Investment Evaluation and Review Panel shall be as follows:

(I) the persons-in-charge of the relevant departments or holding (investing) enterprises of the Company shall submit the intention, preliminary feasibility reports, basic information of the partners and other information in relation to any major investment and financing, capital operations and asset operation projects;

(II) the Investment Evaluation and Review Panel shall be responsible for conducting preliminary review of major investment and financing, capital operations and asset operation projects, issuing written approval opinions and filing the same with the Strategy and ESG Committee for record;

(III) the relevant departments or the holding (investing) enterprises of the Company shall negotiate with external parties regarding any agreements, contracts, articles of association, feasibility reports and other issues, and report to the Investment Evaluation and Review Panel of the negotiation status and relevant information;

(IV) the Investment Evaluation and Review Panel shall conduct a review of the information specified in sub-article (III), issue written opinions and file formal proposals to the Strategy and ESG Committee for record.

The duties of the ESG Working Panel shall be as follows:

(I) to formulate relevant policies and action plans in respect of ESG matters that are in line with the strategy and ESG objectives of the Company;

(II) to manage any ESG-related risks and issues arising from the Company's daily operations;

(III) to be responsible for communication with the relevant departments and subsidiaries of the Company to coordinate and facilitate the implementation of any ESG-related matters;

(IV) to collect, organise and compile public disclosures in respect of the Company's performance in ESG-related matters;

(V) to be responsible for other ESG-related matters.

**Article 16** The Strategy and ESG Committee shall convene meetings to discuss the proposals submitted by the Investment Evaluation and Review Panel or ESG Working Group. The results of discussion shall be submitted to the board of directors and fed back to the Investment Evaluation and Review Panel or ESG Working Group.

**Article 17** Where necessary for the relevant projects, the Strategy and ESG Committee may engage intermediate agencies to provide professional advice for its evaluation and review at the Company's cost.

## CHAPTER V RULES OF PROCEDURE

**Article 18** Meetings of the Strategy and ESG Committee shall be convened upon the proposal of members of the same Committee. All its members shall be notified two days prior to the meeting, but such notice period may be waived with the consent of more than two-thirds of the members. The meeting shall be chaired by the chairman of the Committee. Where the chairman is unable to attend, he may appoint another member to preside over the meeting.

**Article 19** A notice of the Strategy and ESG Committee meeting shall include at least the following information:

- (I) the time, venue and mode of the meeting;
- (II) convenor of the meeting;
- (III) matters to be discussed at the meeting;
- (IV) the contact person of the meeting and contact details;
- (V) the date of the notice of the meeting.

**Article 20** Voting at meetings of the Strategy and ESG Committee shall be made by a show of hands or by poll. In the event that the meeting is convened by way of communication, the voting shall be conducted in a manner of signature.

**Article 21** Meetings of the Strategy and ESG Committee shall only be held with the attendance of more than two-thirds of its members. Each member shall have one vote. Resolutions of the meeting shall be approved by more than half of all members.

**Article 22** Members of the Strategy and ESG Committee may attend meetings in person or appoint another member to attend and exercise the voting rights at the meeting on his/her behalf.

**Article 23** A member of the Strategy and ESG Committee who appoints another member to attend and exercise the voting rights at the meeting on his/her behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting of the meeting.

**Article 24** The power of attorney shall be signed by the appointer and the proxy, and shall include at least the following information:

- (I) the name of the appointer;
- (II) the name of the proxy;
- (III) matters entrusted;

(IV) instructions as to how to exercise the voting rights on agenda items of the meeting (for, against, abstain) and, in the absence of specific instructions, descriptions of whether the proxy may vote at his/her discretion;

(V) term of the authorisation;

(VI) the date of signing of the power of attorney.

**Article 25** A member of the Strategy and ESG Committee who does not attend a meeting in person or appoint another member to attend the same on his/her behalf shall be considered to be absent from such meeting. A member of the Strategy and ESG Committee who fails to attend two consecutive meetings shall be deemed unable to properly perform his/her duties, and the board of directors of the Company may revoke his/her Committee membership.

**Article 26** The members of the Strategy and ESG Committee would be free to discuss the agenda items at the meeting, but care shall be taken to maintain order of the meeting. No speaker shall use any offensive or other insulting or threatening language. The chairman of the meeting shall have the right to determine the duration of discussions.

**Article 27** The head and assistant head of the Investment Evaluation and Review Panel and ESG Working Group may attend meetings of the Strategy and ESG Committee. The directors, supervisors and other senior management of the Company as well as professional consultants and legal advisor of the Company may also be invited to attend meetings, where necessary.

**Article 28** The procedures for convening, voting method and the resolutions passed at the meetings of the Strategy and ESG Committee shall be in compliance with relevant laws, regulations, the Articles of Association and these terms of reference.

**Article 29** Minutes of meetings of the Strategy and ESG Committee shall be prepared, on which members present at the meeting shall sign. Minutes of meetings shall be kept by the secretary to the board of directors of the Company.

**Article 30** Resolutions passed at the meetings of the Strategy and ESG Committee and the voting results shall be reported in writing to the board of directors of the Company.

**Article 31** The members attending the meeting shall have the obligation of keeping the matters discussed at the meeting confidential, and shall not disclose the relevant information without the authorization of the Chairman of the board of directors or the board of directors of the Company.

## CHAPTER VI RECUSAL SYSTEM

**Article 32** In the event that a member of the Strategy and ESG Committee or his/her immediate family members, or other companies controlled by the member of the Strategy and ESG Committee or his/her immediate family members have direct or indirect interests in the agenda items of the Committee meetings, such member shall disclose the nature and extent of such interests to the Strategy and ESG Committee as soon as possible.

**Article 33** Upon occurrence of the situation mentioned in the preceding paragraph, the interested member shall provide detailed explanation of the relevant situation at meetings of the Strategy and ESG Committee and explicitly state his/her self-recusal from voting. However, if other members of the Strategy and ESG Committee unanimously conclude after discussion that such interests will have no material impact on matters to be voted on, the interested member may participate in voting. If the board of directors of the Company deems it inappropriate for the interested member as mentioned in the preceding paragraph to participate in voting, it may revoke the voting results on the relevant resolution and require members without conflict of interest to conduct a new voting on the resolution.

**Article 34** The Strategy and ESG Committee shall consider and decide on the relevant resolution without counting the interested member toward the quorum of meeting. In the event of a meeting of the Strategy and ESG Committee failing to constitute a quorum after excluding such interested member, all members of the Committee (including the interested members) shall resolve upon the procedural matters regarding submission of the resolution to the board of directors of the Company for consideration and approval, and the board of directors of the Company shall consider such resolution accordingly.

**Article 35** Minutes of meetings of the Strategy and ESG Committee and resolutions passed at the meetings shall clearly state that the interested members involved had not been counted in a quorum and did not participate in voting on such resolutions.

## CHAPTER VII BY-LAWS

**Article 36** These terms of reference, after being resolved and approved by the board of directors, shall take effect from the date of listing of the H shares issued by the Company on The Stock Exchange of Hong Kong Limited.

**Article 37** Matters not covered in these terms of reference shall be governed by the relevant laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association. Should any provision of these terms of reference conflict with any subsequently promulgated laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended through lawful procedures, the relevant laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association shall prevail, and these terms of reference shall be amended immediately and submitted to the board of directors for consideration and approval.

**Article 38** These terms of reference shall be interpreted by the board of directors of the Company.