



## UNITED PHOTOVOLTAICS GROUP LIMITED

### 聯合光伏集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

## TERMS OF REFERENCE OF STRATEGY COMMITTEE

Approval by the Board of Directors of the Company on 13 March 2017

with effective date of 20 March 2017

### 1. GENERAL PROVISION

1.1 To further facilitate and guide the research and implementation of the business development and the strategic planning of United Photovoltaics Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), as well as to enhance the decision-making procedures of the major matters of the Company and strengthen the corporate governance structure of the Company, the board of directors of the Company (the “**Board**”) has set up the Strategy Committee (the “**Committee**”) and formulated these terms of reference in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”), the Company Act 1981 of Bermuda (the “**Companies Act**”) and the bye-laws of the Company.

1.2 The Committee is a body established under the Board. It is primarily responsible for:

- (a) assisting the Board in formulating and evaluating the development strategy and implementation plan of the Group in achieving its medium-term and long-term strategic goals; and
- (b) making recommendations to the Board in relation to major corporate actions and investments of the Group.

The Committee reports and is accountable to the Board.

1.3 The Board shall be responsible for the formulation, revision and explanation of these terms of reference.

## **2. COMPOSITION**

- 2.1 The Committee shall comprise three members (and such number as approved by the Board). All the members of the Committee shall be nominated by the nomination committee of the Board and approved by the Board. The nomination committee may nominate eligible persons with suitable qualifications or experience to be a member of the Committee, in consultation with the chairman of the Board.
- 2.2 The chairman of the Committee, being a member of the Committee, shall be appointed by the Board.
- 2.3 The term of office of a member of the Committee shall be three years or such other term as approved by the Board and may serve consecutive terms if re-elected upon the expiration of his/her initial term. The Board shall have the right and discretion to appoint, remove, suspend or replace any member of the Committee at any time by resolution.
- 2.4 The Company Secretary of the Company shall be the secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience to serve as the secretary of the Committee.
- 2.5 Members attending the meeting of the Committee shall undertake confidentiality obligation for all items discussed at the meeting, and shall not disclose any information without the prior approval of the chairman of the Board.

## **3. MEETINGS**

- 3.1 A meeting of the Committee shall be convened by the chairman of the Committee. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.2 A quorum of the Committee shall be a majority of the members.
- 3.3 Each member of the Committee shall have one vote. Only members of the Committee are entitled to vote at the meetings and voting may be taken by a show of hands or an open ballot. Where members of the Committee cannot sign on the resolutions promptly at a telephone or video conference, they may give a verbal vote and then sign a written vote as soon as possible provided that the content of the subsequent written vote must be identical to that of the verbal vote given by the relevant member of the Committee at the meeting.
- 3.4 A resolution of the Committee must be passed by more than half of the members of the Committee attending the meeting (excluding members who have interests in the resolution).

- 3.5 Notice of any meetings has to be given at least *\*seven* days prior to any such meeting being held, unless all members of the Committee unanimously waive such notice. Irrespective of the length of notice being given, a member of the Committee attending the meeting shall be deemed waiver of the requisite length of notice of the meeting by the member. Notice of any adjourned meetings is not required if adjournment is for less than *\*seven* days.
- 3.6 Meetings may be held in person, by telephone or video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.7 A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 3.8 Full minutes of the meetings of the Committee should be kept by the secretary of the Committee. Draft and final versions of minutes of the Committee meetings shall be circulated to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

#### **4. ATTENDANCE AT MEETINGS**

- 4.1 Other than its members, the Committee may also invite members of the management of the Company, or any other person who is considered appropriate and suitable by the Committee, to attend meetings as and when necessary but who shall have no voting rights.
- 4.2 The Company shall disclose any information pertaining to the Group in accordance with statutory procedures and prior to such disclosure, the participating members of the Committee and any persons attending the meetings of the Committee (for the purpose of taking minutes and/or providing any services or advice as required by the Committee) shall keep the contents of the resolutions, the discussions, the proceedings and all documents tabled at the meeting strictly confidential.

#### **5. FREQUENCY OF MEETINGS**

- 5.1 The Committee shall meet at least on an annual basis and shall be convened by the chairman of the Committee as necessary to discharge the duties and responsibilities of the Committee.

## **6. CONFLICT OF INTEREST**

6.1 Where a member of the Committee or his close relatives or any entity controlled by the member of the Committee and/or his close relatives has direct or indirect interest in the matters to be discussed at the meeting of the Committee, such member shall disclose the nature and extent of such interest to the Committee as soon as possible.

The term “close relatives” as referred to in the previous clause shall include a member’s immediate family members and family members within the meaning of Chapter 14A of the Listing Rules.

6.2 Upon the occurrence of the above situation, the interested member of the Committee shall provide a detailed explanation of his/her direct or indirect interest in the matters to be discussed at the meeting and shall specify that he/she shall abstain from voting. However, if the other members of the Committee have carefully considered and unanimously agree that such interest will not have create a material adverse effect on the Group and the shareholders of the Company as whole in respect of the matters to be voted on after discussion, the interested member may vote.

6.3 When a quorum is not met after the interested member’s abstention, all members (including the interested member) shall resolve on the procedural issues such as the submission of such proposals to the Board for consideration, and the Board shall consider such proposals.

6.4 The minutes and resolutions of the Committee shall specify the abstention of the interested member.

## **7. PROVISION OF INFORMATION**

7.1 The Board or its delegate may, if it considered appropriate, provide the following materials to the Committee to facilitate the operation and function of the Committee:

(a) basic information and relevant materials related to the Company’s major decision-making (including but not limited to intentions of and preliminary feasibility reports for major investment and financing, major capital operation, and major assets management projects and basic information of counterparty(ies);

(b) basic information and relevant materials related to the Company’s operation plans and strategic development plans;

(c) basic information and relevant materials related to the major constitutional restructuring and organizational structure plans of the Company;

- (d) if necessary, advisory opinions given by any intermediaries or relevant experts for the above matters; and
- (e) other materials which are necessary for the Committee to perform its duties.

7.2 The Committee shall convene a meeting to discuss the matters in accordance with the proposals and, subject to the terms of reference set out herein, to make written request to the Board for the following:

- (a) to obtain advice and assistance from, at the Company's expense, independent professional advisors or consultants to advise the Committee if it considers necessary; and
- (b) to seek additional information as it deems necessary from the Board.

## **8. DUTIES & RESPONSIBILITIES**

8.1 The duties and responsibilities of the Committee are as follows:

- (a) research and recommend on the medium-term and long-term development strategy of the Company;
- (b) review and recommend on the medium-term and long-term strategic goals and development plans of the business of the Company;
- (c) review the business policies and the medium-term and long-term investment and/or financing plans of the Company;
- (d) research and recommend on any other significant matters affecting the development of the Company;
- (e) review the implementation of the above matters; and
- (f) other duties as delegated by the Board.

## **9. REPORTING PROCEDURES**

- 9.1 The secretary of the Committee shall circulate the minutes of meetings and reports of the Committee setting out the findings, recommendations and decisions of the Committee (including any concerns and dissenting opinions expressed by any member of the Committee) to all members of the Board.
- 9.2 The Committee shall report to the Board after each meeting.

## **10. AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE**

- 10.1 Subject to compliance with the bye-laws of the Company, the Listing Rules, the Companies Ordinance and the Companies Act, these terms of reference may be updated, revised or revoked by the Board as and when necessary in light of the changes in circumstances and changes in the regulatory requirements in Hong Kong, provided that no amendments to and revocation of these terms reference shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference had not been amended or revoked.
- 10.2 These terms of reference or its updated and revised versions should be published on the website of the Company and the website of The Stock Exchange of Hong Kong Limited.
- 10.3 These terms of reference shall be available upon request by the shareholders of the Company.

If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.