

NANJING PANDA ELECTRONICS COMPANY LIMITED
Rules of Procedures for the Supervisory Committee
(Revised in March 2020)

Chapter 1 General Provisions

Article 1 These rules are formulated in accordance with Company Law, these Articles of Association and other relevant regulations in order to normalise the discussion methods and decision-making procedures of the supervisory committee of Nanjing Panda Electronics Company Limited (the “Company”) to ensure scientific and correct decision-making of the supervisory committee and to ensure their functions are effectively exercised.

Article 2 These Rules shall be binding on all supervisors of the Company.

Chapter 2 Composition of the Supervisory Committee

Article 3 The Supervisory Committee shall comprise three members, of whom one member shall act as the chairman of the Supervisory Committee. The term of office for the Supervisors shall be three years renewable upon re-election and reappointment..

Article 4 The supervisory committee shall have one chairman. The appointment and dismissal of the chairman of the supervisory committee shall be passed by votes of more than two-thirds of its members.

Article 5 The proportion of employees’ representatives in the supervisory committee must not be less than one-third, and the rest being representatives of the shareholders. Employees’ representatives shall be elected and removed by the employees while shareholders’ representatives shall be elected and removed at a general meeting.

Chapter 3 Supervisors

Article 6 A person in any of the following circumstances may not serve as the Company's supervisor:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been found guilty of for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, and has been the subject of the sentence for which not more than five (5) years have lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;
- (3) a person who is a former director, factory manager or president of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where no more than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business license of which was revoked due to violation of law and who is personally liable for such

revocation, where no more than three (3) years have elapsed since the date of the revocation of the business license;

(5) a person who holds a relatively large amount of debts which have fallen due and outstanding;

(6) a person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;

(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;

(8) a person other than a natural person;

(9) a person who has been adjudged by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction;

(10) a person in other circumstances may not serve as the Company's supervisor.

Article 7 None of the directors, general manager, deputy general manager(s), chief accountant and other senior management members may hold concurrent post of supervisor.

Article 8 The supervisors may attend board meetings.

Article 9 The supervisors may obtain certain remunerations which shall be decided at general meetings of the Company.

Article 10 Without prejudice to the interest of the Company, the supervisors have the rights to be informed.

Article 11 The supervisors shall perform duties as provided in relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Chapter 4 Duties of the Supervisory Committee

Article 12 The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

(1) to examine the Company's financial situation;

(2) to examine whether the directors, general manager and other senior management members act in contradiction with the laws, administrative regulations and these articles of association;

(3) to demand rectification from a director, the general manager or any other senior management members when the acts of such persons are harmful to the Company's interest;

(4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practicing auditors of the Company for the time being;

(5) to propose the convening of a shareholders' extraordinary general meeting;

(6) to represent the Company in negotiation with or bringing an action against a director;
and

(7) to exercise other powers specified in these Articles of Association or conferred at general meetings.

Article 13 The reasonable expenses arising from performing its duties by the supervisory committee shall be borne by the Company.

Chapter 5 Notice of Meeting

Article 14 The supervisory committee shall convene at least one meeting every six months, which shall be convened by the chairman of supervisory committee.

Article 15 The notice of a meeting shall be served in writing to all members of the supervisory committee ten (10) days prior to the date of the meeting, on which shall be illustrated the matters proposed to be considered and the date and place of the meeting.

Article 16 In case of any urgent matters, the chairman or more than one-third supervisors may propose convening of the extraordinary meeting of supervisory committee.

Notice of the extraordinary meeting of supervisory committee shall be timely delivered to all supervisors prior to date of the meeting, but necessary prepare time shall be given to any supervisor as an attendant to the meeting. Notice of the extraordinary meeting of the supervisory committee may be delivered by any means other than in written.

Article 17 Should a supervisor attend the meeting, and has no dispute relating to non-receipt of notice of the meeting prior to or at the meeting, such notice shall be deemed as sent out to him/her.

Chapter 6 Resolution of the supervisory committee

Article 18 The meeting of supervisory committee can be held by way of teleconference meeting or by virtue of similar telecommunication device. So long as the participating supervisors can hear communicate with each other, all participating supervisors are deemed to as if they had participated in the meeting in person.

Article 19 The meeting of supervisory committee shall be convened with attendance of more than two-thirds of supervisors (including their proxies).

Article 20 Each supervisor has a ballot for voting. Resolutions of the supervisory committee shall be passed by votes of more than two-thirds of its members.

Article 21 A supervisor shall attend the supervisory committee in person, or appoint in written other supervisor to attend the meeting on his/her behalf due to his/her absence. The authorities shall be specified in the power of attorney.

The supervisor attending the meeting on behalf of the entrusting supervisor shall only exercise the rights within the power of attorney. Should a supervisor neither attend a

supervisory committee nor appoint another supervisor to attend on his behalf, the said supervisor shall be deemed as waiving his voting rights at the meeting.

Article 22 The supervisory committee may consider and approve resolutions in written form instead of convening meetings. Draft of such resolutions shall be delivered to each supervisor in person or through mail, telegraph and fax. If the resolution was sent to all supervisors and the number of supervisors signing consent meets the quorum for resolution, such resolution will be passed as a resolution of the supervisory committee after it is delivered to the secretary to the board of directors by one of the aforesaid means and no meeting of supervisory committee is required.

Article 23 Minutes shall be made in Chinese for resolutions passed at the meetings of supervisory committee and resolutions passed in written form. Minutes for each meeting of supervisory committee shall be provided to all supervisors for review as soon as possible. Any supervisor who wishes to make amendment and supplement to the minutes shall send amendment opinion in written to the chairman of the supervisory committee within one week after receiving such minutes. The supervisors and recorder(s) attending the meetings shall sign the minutes after it is finalized.

Such minutes shall be kept at the Company's legal address.

Chapter 7 Supplementary Provisions

Article 24 These rules of procedures are the annex of these Articles of Association and shall come into effect after the approval of the general meeting of the Company.

These Rules shall be interpreted by the Supervisory Committee.

Article 25 Should there be discrepancy between these rules and the PRC laws, administrative regulations, regulations from relevant authorities or these Articles of Association, the PRC laws, administrative regulations, regulations from relevant authorities or these Articles of Association shall prevail.

The matters not mentioned in these rules shall comply with the PRC laws, administrative regulations, regulations from relevant authorities and these Articles of Association; the matters not specified in above regulations shall be proposed by the Supervisory Committee to be resolved at the general meeting.