



中国通信服务  
CHINA COMSERVICE

中國通信服務股份有限公司  
**CHINA COMMUNICATIONS SERVICES CORPORATION  
LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 552)

**Charter for Supervisory Committee of  
China Communications Services Corporation Limited**

**Chapter 1 General Provisions**

- Article 1 The Charter for the Supervisory Committee ("the Charter") of China Communications Services Corporation Limited (the "Company") is adopted to protect legitimate interests of the Company and shareholders, and to regulate the structure and behaviors of the Supervisory Committee (the "Committee") pursuant to the Company Law of People's Republic of China (the "Company Law"), and other applicable laws and regulations, as well as the Articles of Association of the Company ("Articles of Association").
- Article 2 The Committee shall be responsible to the shareholders, oversee the financial system and oversee the performance of the directors, general managers and other senior officers, and safeguard legitimate interests of the Company and shareholders.
- Article 3 The supervisors shall loyally perform the oversight duties pursuant to applicable laws, regulations and the Articles of Association.
- Article 4 The Company shall provide the Supervisors with necessary information and materials for supervisors to perform their duties. The supervisors shall independently perform duties set out in applicable laws, regulations and the Articles of Association. The Company shall provide for appropriate funding for the expenses and reasonable costs incurred by the Committee in performing its duties.

**Chapter 2 Supervisors**

- Article 5 The supervisors shall, among others, be legally literate and have experience in management, accounting and auditing.
- Article 6 The following persons shall not serve as the supervisor of the Company:
- (1) a person who does not have or who has limited capacity for civil conduct;
  - (2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which disrupt

the social economic order, in which case less than a term of five years has lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five years have lapsed since the sentence was served;

- (3) a person who was a former director, factory manager or manager of a company or enterprise which became bankrupt and has been liquidated as a result of mismanagement and who was personally liable for such bankruptcy, in which case less than three years have elapsed since the date of completion of such liquidation of the company or enterprise;
- (4) a person who was a legal representative of a company or enterprise the business license of which was revoked due to violation of law and who was personally liable therefore, in which case less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a large amount of debt overdue;
- (6) a person who is currently under investigation by judicial body for violation of criminal law;
- (7) a person who, according to laws and regulations, cannot act as a leader of an enterprise;
- (8) a person other than a natural person;
- (9) a person who was convicted by competent authority for violating applicable securities regulations and such conviction involves a finding that such person acted fraudulently or dishonestly, in which case less than five years have elapsed since the date of such conviction.

- Article 7 The supervisors shall abide by provisions of applicable laws, regulations and the Articles of Association, and perform the obligations of integrity and diligence.
- Article 8 The supervisors shall not disclose the secrets of the Company, unless legally mandated or required by the Articles of Association.
- Article 9 The supervisors shall not take the advantage of his or her position in the Company to seek for personal benefits, take bribes or other illegal compensation, and shall not appropriate any property of the Company.
- Article 10 Each supervisor shall serve a term of 3 years, which term is renewable upon re-election.
- Article 11 Any supervisor causing any loss to the Company as a result of his or her violation of applicable laws, regulations and the Articles of Association when performing duties shall be liable for the Company.
- Article 12 The supervisors may resign prior to the expiry of the current term, provided that the resignation of any supervisor elected on the general shareholders meeting is subject to the approval thereof, and the resignation of any supervisor elected by employees shall be approved pursuant to the employee election procedures of the Company. Any supervisor causing any loss to the Company as a result of his or her unapproved resignation shall be liable for the Company.
- Article 13 Any supervisor absent on two consecutive Committee meetings shall be deemed as incapable of performing his or her duty, in which case the Committee shall recommend the shareholders' general meeting or employee representative meeting to remove this supervisor.

## **Chapter 3 Constituents and Functions of Committee**

Article 14 The Committee shall comprise 3 supervisors, including 1 external supervisor. Any supervisor elected by the shareholders shall be replaced on the shareholders' general meeting, while any supervisor elected by the employees shall be replaced by employees through election procedure.

Article 15 The Committee shall have 1 chairperson, who shall organize the implementation of the duties of the Committee. The appointment and removal of the chairperson of the Committee shall be determined by two-thirds of the voting rights held by the supervisors.

Article 16 The Committee may set up an office responsible for day-to-day work of the Committee.

Article 17 The Committee shall exercise the following functions and powers in accordance with law:

- (1) to review the Company's financial position, to request information from relevant departments and personnel of the Company, and to inspect financial documents and relevant information of subsidiaries of the Company;
- (2) to supervise directors, managers and other senior officers who violate laws, regulations and the Articles of Association in performing their duties;
- (3) to require directors, managers and other senior officers of the Company to rectify their violations of laws, regulations or the Articles of Association or their behavior which impairs the interests of the Company; to report to the Board of Directors, shareholders' general meeting, securities regulatory body and other relevant authorities where necessary;
- (4) to check the financial information, including report to be submitted by the Board of Directors to the shareholders' general meeting, business report and profit distribution plan, and retain certified accountant and auditor for review in case of doubt on behalf of the Company;
- (5) to propose to convene an extraordinary shareholders' general meeting;
- (6) to negotiate with, or bring actions against, a director on behalf of the Company;
- (7) other functions and powers set forth in the Articles of Association.

The supervisors shall attend the board meeting as non-voting representatives.

Article 18 The Committee's oversight records of directors, managers and other senior officers, as well as the conclusion of financial or other special examination shall constitute major basis for their performance evaluation.

## **Chapter 4 Convening and Attendance of Committee Meeting**

Article 19 The Committee meeting shall be held at least twice a year and shall be convened by the chairperson of the Committee.

Article 20 In case that the chairperson is unable to convene the meeting under specific circumstances, the chairperson shall delegate a supervisor to perform the duty on his or her behalf.

Article 21 The written notice of the Committee meeting shall be distributed to all supervisors 10 days prior to the meeting, and the notice shall include:

- (1) the date of the meeting;
- (2) the venue of the meeting;
- (3) the subject matters of the meeting;

(4) the date of the notice.

Article 22 The Committee shall notify all supervisors of the date of the meeting in accordance with the provisions, and provide them with adequate materials, including background introduction of the subject matters, any information as well as data which can facilitate the supervisors to understand the business development of the Company.

Article 23 Any Committee meeting shall not be valid unless it is attended by more than two-thirds of the supervisors.

Article 24 The supervisors are obligated to attend the Committee meeting in person. Where a supervisor is unable to attend a meeting for any reason, he or she may be a written power of attorney appoint another supervisor to attend the meeting on his or her behalf. The power of attorney shall set out the name of the authorized person, the scope and the term of the authorization, and shall be signed or stamped by the authorizing supervisor. The authorized supervisor shall exercise the power as authorized. Any supervisor who failed to attend, and failed to authorize a representative to attend, the meeting, shall be deemed that he or she has abandoned the voting right.

## **Chapter 5 Agenda and Proposals of Committee Meeting**

Article 25 The proposal of the Committee shall:

- (1) be in compliance with laws, regulations and the Articles of Association, within the business scope of the Company and functions of the Committee;
- (2) be in the interests of the Company and shareholders;
- (3) have specific topics and matters;
- (4) be submitted in writing.

Article 26 The agenda of the Committee meeting shall be determined by the chairperson. Except for the pre-determined proposals, the Committee may determine new proposals during the meeting as the case may be. Where any new proposal is determined, the Committee shall provide adequate materials, including background introduction of the proposals, any information and data which can facilitate the supervisors to understand the business development of the Company.

Article 27 The supervisors shall submit to the office of the Committee any proposal or subject matter for discussion on Committee meeting prior to the meeting, and the chairperson shall determine whether to include them in the agenda. If the chairperson determines that some proposal shall not be included, he or she shall provide reasons therefor on the meeting. Any proposal to be included in the agenda shall be subject to procedures prescribed in article 25(2).

## **Chapter 6 Voting and Resolution of Committee Meeting**

- Article 28 The voting of the Committee meeting is by show of hands with each supervisor having one vote.
- Article 29 The Committee shall vote on the proposals included in the agenda item by item.
- Article 30 No resolution of the Committee shall take effect unless approved by two-thirds of the voting rights. The resolution shall be in writing.
- Article 31 The Committee may make proposal to the Board of Directors or the shareholders' general meeting, which shall be implemented by the Board of Directors via organizing relevant departments. The chairperson of the Committee or the supervisor designated by the Committee shall supervise the implementation of the Committee resolutions. The chairperson of the Committee or the supervisor designated by the Committee shall record the resolution implementation progress, and report to the Committee.
- Article 32 The supervisors shall execute the resolutions of the Committee.
- Article 33 The supervisors shall be responsible for any resolutions of the Committee.
- Article 34 The Committee shall report to the annual general meeting the work performance of the current term, including the number of meetings, meeting themes, and the Committee shall provide independent opinion on the following matters:
- (1) Legitimate operation of the Company, including the legality of decision-making procedures, adequacy of internal control procedures, any violations of laws, regulations, the Articles of Association or impairment of corporate interests by directors and managers in performing their duties;
  - (2) Financial condition of the Company, including the audit opinion issued by the accountant firm and their opinions on relevant matters, and the opinions on whether the financial statements have fairly reflected the financial conditions and results of operation of the Company;
  - (3) Use of proceeds, including whether the actual use of proceeds is consistent with the committed use of proceeds, and whether the procedure to revise the use of proceeds complies with law;
  - (4) Major acquisition and assets restructuring projects, including the rationality of the price, any existence of insider trading, or impairment of interests of some shareholders or loss of corporate assets;
  - (5) Connected party transactions, including whether the price is fair and whether there is any act impairing the corporate interests.

## **Chapter 7 Minutes of Committee Meeting**

- Article 35 Minutes shall be kept during the Committee meetings and shall be signed by the attending supervisors and the recorders. The attending supervisor may request descriptive information on his or her speech to be recorded on the minutes.
- Article 36 The minutes of the Committee meeting shall state:
- (1) Meeting date, venue and the person's name who calls for the meeting;
  - (2) Names of attending supervisors and proxy supervisors (agent);
  - (3) Agenda;
  - (4) Key points of speeches;
  - (5) Voting manner and result of each voting item (affirmative votes, veto votes or waiving votes).

- Article 37 The minutes of Committee meetings shall be true and complete, and be kept properly as important archives of the Company and major basis of supervisor liabilities for future reference.
- Article 38 The minutes of the Committee meetings shall be kept by the office of the Committee.

## **Chapter 8 Supplementary**

- Article 39 Any matter not provided herein shall be pursuant to applicable laws and regulations, and the Articles of Association.
- Article 40 In case of any inconsistency between this Charter and provisions of the Company Law, other applicable laws and regulations, other regulatory documents and the Articles of Association, the provisions of the latter shall prevail.
- Article 41 This Charter, and any amendment thereof, shall take effect upon the approval of the shareholders' general meeting.
- Article 42 This Charter shall be interpreted by the Committee of the Company.