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**ZTE CORPORATION**

**中興通訊股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 763)**

## **Announcement**

### **Election of Independent Non-executive Directors**

***The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.***

The first terms of office for Ms. Qu Xiaohui, Mr. Wei Wei and Mr. Chen Naiwei, being the independent non-executive directors of the Sixth Session of the Board of Directors of ZTE Corporation (hereinafter referred to as “ZTE” or the “Company”), as independent non-executive directors of the Company commenced on 22 July 2009. In accordance with relevant requirement under the Guiding Opinion on Establishment of Independent Director Systems by Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》) issued by the China Securities Regulatory Commission (“CSRC”) which stipulates that the terms of office of the independent directors shall be the same as those of others directors in a listed company and that they may serve another terms if re-elected upon the expiry of their terms but their consecutive terms shall not exceed 6 years, the 6 full years of terms of office for Ms. Qu Xiaohui, Mr. Wei Wei and Mr. Chen Naiwei will be completed and expired on 21 July 2015. To fulfill the requirements of pertinent laws and regulations and the Articles of Association of ZTE Corporation (the “Articles”) in respect of the proportion accounted for by independent non-executive directors in the composition of the board of directors, the Board of Directors of the Company hereby announces general information on the election of independent non-executive directors, the procedures for the recommendation and election of candidates for independent non-executive directors and the qualifications of candidates for appointment, etc in accordance with relevant provisions of the Company Law of the People’s Republic of China (“Company Law”), the Articles and the Working Rules of the Nomination Committee of the Board of Directors of ZTE Corporation.

## **I. GENERAL INFORMATION ON THE ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

In accordance with the provisions of the Articles, Independent Non-executive Directors shall account for more than one-third of the members of the Board of Directors of the Company. The Board of Directors shall comprise 14 Directors, 5 of whom shall be Independent Non-executive Directors. Three Independent Non-executive Directors shall be elected to serve a term that will commence on 22 July 2015 and end on the date of conclusion of the Sixth Session of the Board of Directors (namely 29 March 2016).

## **II. RECOMMENDATION OF CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS (PLEASE REFER TO THE APPENDIX FOR THE RECOMMENDATION LETTER OF CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS)**

1. The Board of Directors, the Supervisory Committee of the Company and any shareholder who individually and jointly holds 1% or more of the shares in the Company as at the date of this announcement may recommend to the Sixth Session of the Board of Directors the candidates for Independent Non-executive Directors.
2. The recommendation by a shareholder in accordance with the above provisions shall not affect his / her right to nominate a candidate for directors pursuant to the relevant provisions of Article 143 of the Articles. In the event that the exercise of the aforesaid right by such shareholder constitutes an act of tabling an ex-tempore motion, the shareholder who has exercised such right shall be required to concurrently comply with the relevant provisions of Article 78 of the Articles. If the listing rules of the place where the Company's shares are listed provide otherwise, such rules shall also be complied with.

## **III. PROCEDURES OF THE ELECTION**

1. The recommendation of candidates for Independent Non-executive Directors shall be made, together with the submission of relevant documents, to the Nomination Committee of the Board of Directors of the Company in accordance with the procedures prescribed in this announcement within 18 days from the date of this announcement (i.e. before 1 March 2015). The Nomination Committee may meanwhile search for candidates for Independent Non-executive Directors among staff of the Company and subsidiaries (associated companies) as well as in the open market for human resources.
2. Upon the expiry of the above recommendation period, the Nomination Committee shall convene a meeting to review the qualifications of candidates for Independent Non-executive

Directors recommended and identified by the Nomination Committee. A list of qualified candidates for Independent Non-executive Directors shall be submitted to the Board of Directors of the Company by the Nomination Committee.

3. The Board of Directors of the Company shall convene a meeting to finalise the list of candidates for Independent Non-executive Directors based on the list submitted by the Nomination Committee and table the said list as a proposal for consideration and approval at the Company's relevant general meeting by way of ordinary resolution (provided that the list of candidates proposed for election as Independent Non-executive Directors are subject to report to the Shenzhen Stock Exchange and may only be tabled at the general meeting if there is no objection from the Shenzhen Stock Exchange).

4. The candidates for Independent Non-executive Directors shall, within a period commencing on no earlier than the first day immediately following the dispatch of the notice of the general meeting appointed for the election of Independent Non-executive Director and ending on seven days before the date of such general meeting, furnish to the Company an undertaking in writing to accept the nomination, give warranty that the information provided is true and complete and pledge to discharge duties as Independent Non-executive Director upon election.

5. Upon the dispatch of the notice of the general meeting to elect Independent Non-executive Directors, the Company shall submit the relevant information (including but not limited to the declarations of the nominators and candidates and the biographies of the Independent Non-executive Director) of the candidates for Independent Non-executive Directors to the Shenzhen Stock Exchange for record.

6. Candidates for Independent Non-executive Directors will be elected Independent Non-executive Directors of the Company upon the approval of the proposal for his/her election at the general meeting of the Company by way of ordinary resolution. The Company will enter into service contract with elected Independent Non-executive Directors upon his/her election.

#### **IV. QUALIFICATIONS FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

(I) Candidates for Independent Non-executive Directors of the Company should fulfill the relevant qualifications for Directors

In accordance with the provisions of the Company Law and the Articles, candidates for Directors of the Company shall be natural persons and shall not be required to hold shares in the Company. A person may not serve as a Director of the Company if he / she is:

1. a person who has no or limited capacity for civil acts;

2. a person who has been sentenced for corruption, bribery, embezzlement of property, misappropriation of property or other crimes which sabotage the social economic order, where less than five years have elapsed since the sentence was served, or a person who has been deprived of his political rights for committing a crime, where less than five years have elapsed since the sentence was served;
3. a person who is a former director, factory manager or president of a company or enterprise which has gone into bankruptcy and put under liquidation as a result of mismanagement and who was personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the 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 a violation of law and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;
5. a person who has a relatively large amount of debts due and outstanding;
6. a person who is under criminal investigation or prosecution by judicial authorities for violation of criminal law and the case is not yet concluded;
7. a person other than a natural person;
8. a person who is a civil servant of the State or otherwise prohibited by the laws and administrative regulations from assuming corporate leadership positions;
9. a person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction;
10. a person who is identified by securities regulatory authorities of China as being prohibited from entering into the market and whose prohibition has not been released;
11. a person who has been publicly ascertained by the stock exchange as being not suitable for serving as a director, supervisor or senior management of a listed company; or
12. a person who has otherwise been prohibited by the laws and regulations or the Articles to serve as a director.

## (II) Qualifications for Independent Non-executive Directors

In addition to the above qualifications for relevant directorships, Independent Non-executive Directors of the Company shall also satisfy the following conditions:

1. Having basic knowledge in respect of the operations of listed companies and a good understanding of the relevant laws, administrative regulations, rules and regulations;
2. Having more than five years' working experience in the practice of law, finance or other experiences necessary for discharging the duties of Independent Non-executive Directors;
3. Having independence as required by domestic laws and regulations and the listing rules of the place where the Company's shares are listed;
4. Meeting one or more of the following conditions:
  - 1) being vastly experienced in the successful management of large scale international enterprises;
  - 2) being vastly knowledgeable in theories of enterprise development strategies and experienced in successful implementation;
  - 3) being vastly experienced in the development and marketing of high technology products;
  - 4) being vastly knowledgeable in the theories of and experienced in capital operations.
5. A person shall not act as an Independent Non-executive Director of the Company if he / she:
  - 1) is an employee of the Company or its subsidiaries, or a direct family member or primary relative of such employee (direct family members shall include spouses, parents and children and primary relatives shall include siblings, parents-in-law, sons / daughters-in-law, and brothers / sisters in-law, etc);
  - 2) is a natural person holding, directly or indirectly, 1% or more of the issued shares of the Company or a natural person shareholder among the top ten shareholders of the Company, or any of their direct family members;
  - 3) is an employee of any corporate shareholder who directly or indirectly holds 5% or more of the issued shares of the Company or an employee of the top five corporate shareholders or a direct family member of such employees;
  - 4) is an employee of the controlling shareholder of the Company or any of its subsidiary or a direct family member of such employee;
  - 5) is a person that provides financial, legal, consulting services to the Company and its subsidiaries or the Company's controlling shareholder and its subsidiaries, including but not limited to any project team member, personnel responsible for vetting at any level, report signatory, partner and principal officer of any intermediary firm providing services;
  - 6) holds a position with a unit engaged in material business transactions with the Company and its subsidiaries or the Company's controlling shareholder and its

subsidiaries or with the controlling shareholder of such unit;

7) has been under any one of the six conditions set out above during the immediately preceding year;

8) has been subject to prohibition from entering into the securities market by CSRC, the effective period of which has not yet expired;

9) has been publicly ascertained by the stock exchange as being not suitable for serving as a director, supervisor or senior management of a listed company;

10) has been penalised by the CSRC during the three immediately preceding years;

11) has been subject to the public censure or, for three times or more, announced criticism by the stock exchange during the three immediately preceding years;

12) is a person who has served as an Independent Non-executive Director with more than five listed companies, a person who has served as an Independent Non-executive Director of the Company for six consecutive years shall not be nominated as a candidate for Independent Non-executive Director of the Company until and unless a period of one year has lapsed since the conclusion of such six-year period.

13) any other person specified in the Articles; or

14) any other person identified by the CSRC or the Shenzhen Stock Exchange.

## **V. Contact Information**

Contact person: You Tingting

Contact department: Securities and Investors' Relations Department

Contact phone number: 0755-26771417

Contact fax number: 0755-26770286

Contact address: 6/F, Block A, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen

Postal code: 518057

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

11 February 2015

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Richard Xike Zhang.*

## **Appendix:**

### **Recommendation Letter of Candidates for Independent Non-executive Directors of the Sixth Session of the Board of Directors of ZTE Corporation**

Recommended by:

Name of candidates for Independent Non-executives Director recommended:

Age of candidates for Independent Non-executive Directors recommended:

Gender of candidates for Independent Non-executive Directors recommended:

Qualifications of candidates for Independent Non-executive Directors recommended:  
fulfillment of requirements set out in this announcement (Yes/No).

Contact information of candidates for Independent Non-executive Directors recommended:  
(including telephone, fax and e-mail)

Brief biographies of candidates for Independent Non-executive Directors recommended:  
(including educational background, title, detailed working experience)

Other information: (if any)

Recommended by: \_\_\_\_\_ (Seal/Signature)

Date: \_\_\_\_\_

Notes:

1. A person recommending candidates for Independent Non-executive Directors must provide the following documents to the Nomination Committee of the Board of Directors of the Company:

- (1) The Recommendation Letter of candidates for Independent Non-executive Directors (original copy);
- (2) Photocopies of identification documents of the candidates for Independent Non-executive Directors recommended (together with the original for inspection);
- (3) Photocopies of academic qualifications and certificates of the candidates for Independent Non-executive Directors recommended (together with the original for inspection);
- (4) Photocopies of any certificates of training for Independent Non-executive Directors (together with the original for inspection);
- (5) Other documents that testify to the fulfillment of conditions required under this announcement.

2. If a person recommending candidates for Independent Non-executive Directors is a shareholder of the Company, such person shall also provide the following documents:

- (1) For individual shareholders, photocopies of their identification documents (together with the original for inspection);
- (2) For legal person shareholders, photocopies of their business license (together with the original for inspection);
- (3) Photocopies of share account card (together with the original for inspection);
- (4) Evidence of shareholding as at the date of this announcement.

3. A person shall make his/her/its recommendation of candidates for Independent Non-executive Directors to the Nomination Committee of the Board of Directors of the Company in the following manner:

- (1) The recommendation shall be submitted in person or by post only;
- (2) In case of delivery in person, the relevant documents must be delivered to the contact person designated by the Company by 16: 00 on 1 March 2015;
- (3) In case of delivery by post, the relevant documents must be delivered by fax to 0755-26770286 by 16: 00 on 1 March 2015, the receipt of which shall be acknowledged by the contact person designated by the Company, followed by the delivery of the original copy of the Recommendation Letter of Candidates for Independent Non-executive Directors to the address of the contact person designated by the Company by 1 March 2015 (the time of receipt shall be the time stamped by the Shenzhen local post office).