

Flat Glass Group Co., Ltd.

Terms of Reference of the Audit Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 This document is the decision-making basis of the Board (the Board) of Flat Glass Group Co., Ltd. (hereinafter referred to as the Company, the Company or the Group), and shall be effective from the date of its implementation, and shall be subject to the provisions of the Company's Articles of Association, the Company's Charter, and the Company's Special Regulations. The Board shall be subject to the provisions of the Board's Charter (hereinafter referred to as the Board Charter) and the provisions of the Articles of Association (hereinafter referred to as the Articles of Association) of the People's Republic of China, the Company Law, the Securities Law, the Measures for the Administration of Listed Companies, the Rules Governing the Listing of Securities of the Shanghai Stock Exchange (hereinafter referred to as the Shanghai Stock Exchange Listing Rules, Self-Regulatory Guidelines for Listed Companies of Shanghai Stock Exchange No. 1, the Securities Law, the Rules Governing the Listing of Securities of the Shanghai Stock Exchange, the Limited Liability Company Law (hereinafter referred to as the Limited Liability Company Law), the Articles of Association of Flat Glass Group Co., Ltd. (hereinafter referred to as the Articles of Association) and other relevant laws and regulations.

Article 2 The Audit Committee of the Board is a special committee of the Board, and shall be responsible for supervising and managing the financial affairs of the Company, and shall be responsible for the financial reporting, and shall be responsible for the financial reporting of the Company.

Chapter 2 Composition

Article 3 The Audit Committee shall be composed of three or more independent non-executive directors of the Company, and a majority of them shall be independent non-executive directors, and the independent non-executive directors shall be a majority of the members.

Article 4 Members of the Audit Committee shall be nominated by the Board, and shall be elected by the Board for a term of three years, and shall be eligible for re-election.

Article 5 The Audit Committee shall have the chairman, and shall be elected by the independent non-executive directors of the Company, and shall be eligible for re-election. The chairman of the Audit Committee shall be elected by the Board.

Article 6 The members of the Audit Committee shall be nominated by the Board. A member of the Audit Committee may be elected by the Board, and shall be eligible for re-election.

If a member of the Board resigns or is removed from office, or if a member of the Board is removed from office, the Board shall immediately fill the vacancy. The vacancy shall be filled by the Board within the period specified in Article 3 and 5 above.

Article 7 A A, di De a me i e , b he C m a , c d c i e al a, di , de he g, ida ce a di , ec i f he A, di C mmi ee. The ec e a he B a d hall ake cha ge f he , ecific c di a i be ee he A, di C mmi ee a d he B a d.

Chapter 3 Terms of Reference

Article 8 The A, di C mmi ee f he B a di e, ible f e ie i g he c m a ' fi a cial i f mai a di di cl , e, e eei ga de al a i g b hi e ala de e ala di k, a di e al c l. The e m f efe e ce f he A, di C mmi ee a e:

- (1) be, ima il e, ible f maki g ec mme dai he B a d he a, i me , e- a, i me a d em al fe e ala di , a, i g he em, e ai a da, i me e m e e ala di , a d deali g i ha i , e ela ed he e ig a i di mi al f he a, di ;
- (2) e ie a d m i e e ala di ' i de e de ce a d bjec i i a d he effec i e e f he a, di , ce i acc da ce i ha, licable a da d ;
- (3) di c, i h he a, di he a, e a d c, e f he a, di a d e i g bliga i a de , e c - di a i he e m e ha e e e ala di fi m i e gaged bef e he a, di c mme ce ;
- (4) de el, a d im leme , licie he, i i f -a, di e ice b e e ala di . F he, , e f hi cla, e, he e e ala di halli cl, de a e i ha i , de c mm c l, e hi ma ageme i h he a, di fi m a e i ha a hi d, a ha i g ea able k ledge fall ele a i f mai , ld ea abl c cl, de a, a f he l cal i e a i al b, i e f he a, di fi m. The A, di C mmi ee hall e a d, e he B a da ma e he e aci im eme i eeded;
- (5) di c, a d c mm, ica e i he e ala di ab, he c, e f a, di , he a, di , la , he a, di me h da d maj i , e ide ified i he a, di ;
- (6) facili a e c mm, ica i be ee he ma ageme , he i e ala di de a me a d ele a de a me f he C m a a de e ala di ;
- (7) m i a de al, a e dilige ce a d c cie i , e f e e ala di ;
- (8) m i he i eg i f he C m a ' fi a cial a eme , a , al e a d acc , i e im e a d, a el e (if, ed i , e), a d e ie ig ifica , i i fi a cial e i g c ai ed i hem;
- (9) e ie he C m a ' fi a cial e a d c mme he a, he ici , c m le e e a d acc, ac f he fi a cial e ;

(14) ega di g (13) ab e:

(i) membe f he A, di C mmi ee h, ld liai e i h he B a d a d e i ma ageme f he G , . The c mmi ee m mee , a lea ice a ea , i h e e al a di f he C m a ; a d

(ii) he A, di C mmi ee h, ld c ide a ig ifica , , , al i em ha a e, ma eed be, eflec ed i , ch e a d acc , , a di h, ld gi e d e c ide a i a ma e ha ha e bee ai ed b he aff e, ible f acc , i g a d fi a cial e i g f c i , c m lia ce ffice he a di f he C m a ;

(15) di c, i h he a di ab, he blem a d e e a i a i i g f m he i e im a d fi al a di , a d a ma e he a di ma i h di c, (i he ab e ce f ma ageme f he G , he e ece a);

(16) f m la e he al he a , al a di e im, fi di ib, i a d ca i al e e e ca i ali a i f he C m a ;

(17) e ie he C m a ' fi a cial c l, i e al c l a d i k ma ageme em ;

(18) di c, he i k ma ageme a di e al c l em i h ma ageme e , e ha ma ageme ha e f medi d ha e effec i e i e al c l em . Thi di c, i h, ld i cl de he ade , ac f e , ce , aff , al ifica i a de , e ie ce, ai i g g am a d b dge f he C m a ' acc , i g a d fi a ci g e i g f c i ;

(19) c ide maj i e iga i fi di g i k ma ageme a di e al c l ma e a

- (25) e ie he i e al c l a di e i , ed b he e e al a di i i , i , a ell
a he ma e a dim eme mea , e f , d a f e c mm , ica i i h he e e al a di
i i , i ;
- (26) e al a e he i e al c l a e me a d a di e , l , a d , e i e he ec ifica i
f deficie cie i i e al c l ;
- (27) e ie he Le e f E , la a i A , di i , ed b e e al a di he ma ageme , a
ig ifica i , e ai ed b he a di he ma ageme i ela i he acc , i g ec d ,
fi a cial acc , c l em a d he ma ageme ' e , e ;
- (28) e , e ha he B a d ill , ide a imel e , e he i , e ai ed i he Le e f
E , la a i A , di i , ed b e e al a di he ma ageme ;
- (29) c d c i e ie i h a di ec , e ide , chief fi a cial ffice head f he i e al
a di de a me f he C m a , hei e ig a i i de a ce ai he ea f hi /
he de a , e ;
- (30) , bmi he d af k e d i g he e i d he B a d f e ie ; a d , bmi he d af
, mma e d i g he e i d f , bli hi gi he G , ' i e im a d a , al e ;
- (31) c ide he i i f he B a d ha e , e add , e lace em e a , e be a
membe f he A , di C mmi ee , a di , acc , i g (i cl di gi e al a di i g de a me)
aff ;
- (32) e he B a d he ab e ma e ;
- (33) e ie he f ll i g a a geme f he C m a : he em l ee f he C m a ca , i
c fide ce , ai e c ce ab , ible i eg , la i ie i fi a cial e i g , i e al c l
he ma e ; e , e ha , e a a geme a e i , lace f he C m a c d c fai
a di de e de i e ig a i a d ake a , ia e ac i acc di gl ;
- (34) ac a he ke e e e a i e f he C m a a de e al a di a dm i hei ela i hi ;
- (35) c ide a dim leme he ma e de ig a ed b he B a d ; a d
- (36) he ma e a h i ed b he B a d i , la ed b la , admi i a i e eg , la i ,
de a me al , le , he eg , la , le f he , lace he e he C m a ' ha e a eli ed , a d
he A icle f A cia i .

The fulling shall be, by the BadfDiect of the Commission:

- (i) the directors shall be, by the directors of the Commission;
- (ii) the directors shall be, by the directors of the Commission;
- (iii) the directors shall be, by the directors of the Commission;
- (iv) the directors shall be, by the directors of the Commission;
- (v) the directors shall be, by the directors of the Commission;

Article 9 The Commission shall guide the directors, and the directors shall have the fulling:

- (1) the directors shall be, by the directors of the Commission;
- (2) the directors shall be, by the directors of the Commission;
- (3) the directors shall be, by the directors of the Commission;
- (4) the directors shall be, by the directors of the Commission.

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Article 10 The Commission shall be, by the Commission. The Commission shall be, by the Commission;

Article 11 The Commission shall be, by the Commission.

Chapter 4 Procedures of Decision-making

Article 12 The ec e a he B a d hall c di a e i h he A, di De a me a d he ele a de a me ide he A, di C mmi ee i h he f ll i g i e ma e ial f deci i -maki g e:

- (1) ele a fi a cial e f he C m a ;
- (2) ele a fi a cial e f he C m a ;
- (3) e e al a di c ac a d ela ed k e ;
- (4) a di e fi e al c l em f he C m a ;
- (5) e e ali f mai di cl , e f he C m a ;
- (6) a di e ma e ial ela ed a a aci f he C m a ;
- (7) he ele a ma e .

Article 13 The A, di C mmi ee hall c e e mee i g di c e , bmi ed b he A, di De a me a d he de a me , a d hall , bmi i ele a i e e l i he B a d f di c i :

- (1) k a ai al e e al a di i i , i , a d he e gage me a d e laceme f e e al a di i i , i ;
- (2) he he he i e al a di em f he C m a ha bee effec i el im leme ed, a d he he he fi a cial e f he C m a a e , e a d c m le e;
- (3) he he he fi a cial e a d he i f mai di cl ed b he C m a a e bjec i e a d , e, a d he he he ma e ial ela ed a a aci f he C m a c m l i h he ele a la a d eg, la i ;
- (4) he e al a i he e f ma ce f he i e al fi a cial de a me a d he a di de a me (i cl di gi head);
- (5) he ele a ma e .

Article 14 The members of the Audit Committee shall, in the discharge of their duties, be bound to observe the highest standards of integrity and objectivity in the discharge of their duties.

- (1) in the performance of their duties, they shall act with integrity, objectivity, and independence, and shall not be subject to any influence or pressure that might compromise their independence;
- (2) the general meeting of the Company shall have the authority to elect, in accordance with the provisions of the Articles of Association, the members of the Audit Committee.

Article 15 The following shall be the duties of the Audit Committee:

- (1) the Audit Committee shall decide the procedures for the discharge of its duties, and shall monitor the effectiveness of these procedures;
- (2) in the discharge of its duties, the Audit Committee shall have the authority to request information from any officer or employee of the Company, and shall have the authority to require the production of any documents or records in the possession or control of the Company;
- (3) the Audit Committee shall review the financial statements of the Company and the annual report of the Company, and shall recommend to the Board of Directors the financial statements and the annual report of the Company for approval and release to the public;
- (4) the Audit Committee shall review the internal control system of the Company, and shall recommend to the Board of Directors the internal control system of the Company for approval and release to the public;
- (5) the Audit Committee shall review the external audit of the Company, and shall recommend to the Board of Directors the external audit of the Company for approval and release to the public;
- (6) the Audit Committee shall, in the discharge of its duties, have the authority to engage or dismiss any person to assist it in the discharge of its duties, and shall have the authority to require the production of any documents or records in the possession or control of the Company.

Chapter 5 Procedural Rules

Article 16 The A, di C mmi ee mee i g hall c e e a lea ce e e , a e . Whe me membe e, he he c e e c ide ece a , a e a di a mee i g ca be held.

All membe hall be ified h ee da i he A, di C mmi ee mee i g. Whe e he e a e eme ge c i, a i , he mee i g f he A, di C mmi ee hall be held a a ible, i h he, a im , c e f all membe , he e ice f he ice ega di g he mee i g ma be made h , gh ele h e all a a ime, he c e i g f he mee i gi , bjec he ime limi f he af eme i ed ice.

The A, di C mmi ee mee i g hall be e ided e b he chai ma f he A, di C mmi ee, h hall de ig a e a he i de e de -e ec, i e di ec e ide e he mee i g if he/ he i , able e f m hi /he d, ie .

Article 17 A A, di C mmi ee mee i g hall be held i h he a e da ce f m e ha - hi d f he membe ; each membe hall ha e e e; e l i made a he mee i g hall be ad ed b a maj i f all membe .

Article 18 Membe f he A, di De a me ma a e d mee i g f he A, di C mmi ee. The Di ec , e i a d he e i ma ageme f he C m a ma bei id a e d mee i g f he A, di C mmi ee, he e ece a .

Whe e a age dai em ela i g a membe i be di c, ed a he mee i g f he A, di C mmi ee, , ch ela ed membe hall ab ai f m he mee i gi e, ec he e f. The aid mee i g f he A, di C mmi ee ma be held b m e ha e-half f he, ela ed membe a e di g he mee i g a d e l i ed hall be a ed b m e ha e-half f he, ela ed membe ; he e he , mbe f, ela ed membe a e di g he mee i g fall bel e-half f he al , mbe f, ela ed membe f he A, di C mmi ee, , ch ma e hall be , bmi ed he B a d f c ide a i .

Article 19 Membe f he A, di C mmi ee hall a e d mee i g i , e a de , e i i ma e , de c ide a i . I he e e ha a membe i , able a e d he mee i gi , e f a ea , he membe ma , bmi a e fa e ig ed b him he a da , i a he membe a e d he mee i g a d e , e i i hi /he behalf. If a i de e de -e ec, i e di ec membe i , able a e d he mee i g f a ea , he/ he hall e ie he mee i g ma e ial i ad a ce f m e , lici ad ice, a , i a he i de e de -e ec, i e di ec membe a e d hi /he behalf. Each membe c , ld be e , ed b m e ha e membe a e ime. The e f a e hall ecif he c , e a d d, a i f a h i a i .

Article 20 V e a he mee i g f he A, di C mmi ee hall be made b a h f ha d b ll ia he i g me h d ec g i ed b eg, la a, h i (ie) f he lace he e he ha e f he C m a a e li ed. The mee i g hall be c e ed i e i , i c i le. P ided ha all Di ec ca fll e , e hei i i a he mee i g , , ch mee i g ca be held b mea f ide , ele h e, he me h d he ece a .

Article 21 When the Board of Directors of the Corporation is authorized by the shareholders to acquire additional shares of the Corporation, the Board of Directors may, in its discretion, acquire such shares.

Article 22 The corporation shall be a legal entity, separate and distinct from its shareholders, and shall be organized under the laws of the State of New York.

Article 23 The Board of Directors shall have the authority to manage the business and affairs of the Corporation, subject to the control of the shareholders. The Board of Directors shall have the power to cause the Corporation to acquire additional shares of the Corporation.

Article 24 Members of the Board of Directors shall be elected by the shareholders at the annual meeting of the Corporation, and shall hold office until the next annual meeting. The Board of Directors shall have the authority to fill any vacancies that may occur.

Chapter 6 Supplementary Provisions

Article 25 The terms of the articles of incorporation and the bylaws of the Corporation shall be subject to amendment by the shareholders.

Article 26 Any amendments to the articles of incorporation, the bylaws, or the charter of the Corporation shall be subject to the approval of the shareholders. The Board of Directors shall have the authority to propose such amendments.

Article 27 The Board of Directors shall have the authority to execute any contracts or agreements on behalf of the Corporation.

Article 28 The Board of Directors shall have the authority to cause the Corporation to incur any debt or liability, and to issue any securities of the Corporation.

Article 29 If the Corporation is a corporation of the State of New York, the Corporation shall be subject to the laws of the State of New York.