



Terms of Reference for the Board & Directors' Duties
(Adopted by the Board, revised in February, May 2016)

Board and Directors' Duties:

The duties of the Board and Directors of AAC Technologies Holdings Inc. ("the Company") shall include the following:-

- a) Review and develop the Company's corporate governance structure, policies and practices;
- b) Review and monitor the training and continuous professional development of the Board of Directors and senior management;
- c) Review and monitor the Company's policies and practices for the compliance with statutory and regulatory requirements;
- d) Review and monitor the Company's compliance with the "Corporate Governance Code" and disclosure requirements in the "Corporate Governance Report";
- e) Review and monitor the Company's policies and practices with regard to Environmental, Social and Governance ("ESG") issues;
- f) Be collectively and individually responsible for ensuring the Company complies fully with the requirements of the Listing Rules;
- g) Act within their powers in accordance with the Company's articles of association (the "Constitution");
- h) Exercise independent judgment in relation to any exercise of their powers. Except where authorized to do so by the "Constitution" or any resolution, directors must not delegate any of their powers;

- i) Act honestly and in good faith and exercise their powers and duties for a proper purpose for the best interests of the Company as a whole;
- j) Fulfill fiduciary duties, exercise powers and duties with reasonable care, skill and diligence; taking steps to ensure they are properly informed about the financial position of the Company and ensuring the Company does not trade if it is insolvent;
- k) Ensure the Company maintains full and accurate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the Company's financial position and financial performance;
- l) Avoid conflicts of interest (actual or potential) between their duties, personal interests and interests of the Company;
- m) Disclose fully and fairly the nature and extent of an interest in any Company's transactions / contracts / arrangement and not to enter into transactions in which the directors have an interest except in compliance with the requirements of the law;
- n) Not to accept any personal benefit from third parties, which is conferred because of the powers directors have as director or by way of reward for any exercise of their powers as a director. Unless the Company itself confers the benefit, or the Company has consented to it by ordinary resolution, or where the benefit is necessarily incidental to the proper performance of any of his functions as director;
- o) Not to improperly use their positions to gain (directly or indirectly) an advantage for themselves or someone else, or to cause detriment to the Company; and
- p) Not to make any unauthorized use of the Company's property or information or any opportunity that becomes aware as a director of the Company, to gain an advantage for themselves or someone else, or to cause detriment to the Company, unless where the use or benefit has been disclosed to the Company in general meeting and the Company has consented to it;
- q) Work with the CEO and management to promote the long term success of the Company and have succession plans for critical jobs;
- r) Determine competitive but not excessive executive and director compensation to attract, retain and refresh top talent;

- s) To develop an understanding of shareholder perspectives on the Company and foster long term relationships with them;
- t) Evaluate the performance of the Board, Board Committees and individual directors, and embrace “board refreshment and diversity”.