

Far Eastone Telecommunications Stakeholder Engagement Guidelines

April 30, 2017 approved by President

Foreword

FET references the AA1000SES Stakeholder Engagement Standard for our Stakeholder Engagement Guidelines. Through the process of defining, engaging with, and identifying major issues with stakeholders, FET is able to interact more closely with society at large, understand stakeholders' needs, safeguard stakeholders' rights, and respond to issues of stakeholder concern quickly and accurately. Furthermore, stakeholders' feedback contributes to our business strategy, vision, and operation goals. As a result, our business performance and the transparency and integrity of information disclosures can be advanced.

Engagement Guidelines

Article 1. Purpose

These Guidelines are issued to enable Far Eastone Telecommunications and its subordinate organizations (hereinafter "the Company") to institutionalize the procedures for stakeholders' engagement and identification of key issues, in accordance with Chapter Four of the Company's Corporate Governance Guidelines, "Respecting Rights and Interests of Stakeholders .

Article 2. Scope of Application

The application of these Guidelines extends to subsidiaries and joint ventures of the Company, as well as other institutions, juristic persons, groups, enterprises and organizations with substantive control.

Article 3. Definition of Stakeholder

"Stakeholder" referred to in these Guidelines shall include without limitation: investors, employees, consumers, suppliers, media, communities, governmental authorities, or non-governmental organizations.

Article 4. Implementation Strategy

When implementing these Guidelines, the Company shall first identify the significance of the stakeholder, before deciding on the extent of engagement of such stakeholder, and finally determining the manner in which to interact with such stakeholder.

Article 5. Identifying Significance of a Stakeholder

When seeking to identify the significance of a stakeholder, the Company shall score a stakeholder (from 1 to 10) based on the following five principles; a stakeholder with a higher aggregate score from the six principles shall be a stakeholder to whom the

Company shall grant priority consideration; and the converse would apply:

1. Responsibility: Means the Company shall be held responsible to this type of stakeholder now or in the future.
2. Influence: Refers to a stakeholder who has influence or decision-making power over the Company.
3. Reliance: Refers to a stakeholder who directly or indirectly relies on the activities and operations of the Company.
4. Tension: groups or individuals who need immediate attention from the organisation with regard to financial, wider economic, social or environmental issues
5. Diverse perspectives: groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur

Article 6. Undertakings to Stakeholders

Irrespective of the degree of participation, the Company shall continue to fulfill its undertakings to stakeholders.

Article 7. Manner of Engagement

The Company shall offer different manners of engagement that corresponds to the different degrees of participation of stakeholders:

1. Notice: Means the Company shall notify such stakeholder of up-to-date developments through news releases, reports and the websites. The Company shall provide the stakeholder with balanced, objective, accurate and consistent information, to assist such stakeholder in understanding the relevant issues, choices, opportunities and solutions.
2. Consultation: Means the Company shall listen to and understand the stakeholder's concerns and goals through such channels as public discussions, focus groups, opinion survey, public meetings and online channels.
3. Cooperation: Means that the Company shall seek suggestions from the stakeholder in planning solutions, through such channels as online channels, reference groups, discussion forums, and experimental projects. Company should jointly determine alternative proposals, make decisions, and reach solutions that identify their respective preferences.

Article 8. Communication of Outcome

The outcomes from stakeholders' engagement will be fed back to stakeholders in the following manner:

1. The Company shall keep records of any kinds of engagement, and notify the stakeholder of the outcome, collect the views of such stakeholder regarding the outcome, then respond to the questions raised by such stakeholder; where necessary

a solution shall be determined.

2. If any meeting is held, meeting minutes shall be prepared and publicly posted or distributed by e-mail.
3. The Company shall regularly track resolved matters, and notify stakeholders of any progress via meetings or letters

Article 9. Risk of Stakeholder Engagement

The following common risks of stakeholder engagement should be avoided to the greatest extent:

1. Stakeholders have distinct views of the purposes of participation, and that have different anticipates from the outcome of process.
2. Stakeholders feel being neglected from procedures. For example, prevent their participation from geographical factors.
3. Stakeholders can not have sufficient time to fully pose their views or raise concerns. For example, intensive schedule designed.

Article 10. Risk Management of Stakeholder Engagement

To avoid risks of stakeholder engagement, the company shall consider the following item:

1. To make sure stakeholders have the consistent view, the company should clarify the purpose of each activity and the scope of anticipated outcome during activities.
2. The company shall be dedicated to prevent procedural crowding-out effect from stakeholders. If it's possible, the company should have at least two ways to participate in activities.
3. Once existing any potential risk of stakeholder engagement, the company should clarify the problem immediately and keep communicating with stakeholders until the problem is solved.
4. To make sure if there is any defect, the company shall examine the process of participation periodically and design the improvement plan

Article 11. Capacity Building Measure

To ensure stakeholders can fully support the operation of company, the company shall strengthen their abilities continuously. The company can establish the system as following:

1. Updated industry information and development periodically.
2. Provided channels for experience sharing, such as interactive website.
3. Hold educational training or online courses.
4. Hold forums, and invite head of unit or professionals to share their experience.

Article 12. Experience Sharing

The experience of contact with stakeholders should be systemized by the following

manners. Colleagues can learn from systemized information, and make the relationship with stakeholders better and better.

1. Established dedicate interactive website through company intranet
2. Standardization reporting process
3. Develop training courses about ability-strengthened and stakeholders participation method.
4. Held internal conference periodically for colleagues to share their experience.

Article 13. Key Performance Indicators

To keep improving the relationship with stakeholders, the company should review key performance indicators and pose concrete improvement plan, if it doesn't reach the target.

Article 14. Separation of Powers and Responsibilities

Related departments of the Company will regularly implement participation by stakeholders, and report the outcomes for instructions of their executive vice president. Implementation is included in the annual work management and performance evaluation