



**Datang Environment Industry Group Co., Ltd.\***

**大唐環境產業集團股份有限公司**

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

**(Stock Code: 1272)**

**DATANG ENVIRONMENT INDUSTRY GROUP CO., LTD.  
TERMS OF REFERENCE OF THE STRATEGY AND  
INVESTMENT COMMITTEE OF THE BOARD OF DIRECTORS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** The rules are established by Datang Environment Industry Group Co., Ltd. (hereinafter refer to as the “Company”) in accordance with the Company Law of the People’s Republic of China and other laws, regulations and regulatory documents, and requirements under the Articles of Association of Datang Environment Industry Group Co., Ltd. (hereinafter refer to as the “Articles of Association”) and the Rules of Procedure of the Board Meetings of Datang Environment Industry Group Co., Ltd., in order to match up with the strategic development needs of the Company, strengthen its core competitiveness, set down its development plans, improve its investment procedures, strengthen the scientific nature of decision-making, enhance the benefit and quality of significant investment decisions and improve the corporate governance structure of the Company.

**Article 2** The Strategy and Investment Committee, established by the Board of Directors as a special committee, is mainly responsible for conducting consideration and making decisions over long-term development strategy, major financing projects and investment projects (equity and asset acquisition, establishment of new subsidiaries and other external investment matters within the authorization of the Board), studying material investment projects beyond its authority and making recommendations to the Board, and conducting supervision and assessment for the implementation of investment projects. In fulfilling its responsibilities, the Strategy and Investment Committee shall abide by the applicable laws and regulations, the Articles of Association and the rules. The Strategy and Investment Committee shall be subject to the supervision by the shareholders’ meeting and the Audit Committee of the Company in accordance with laws.

**CHAPTER 2 COMPOSITION OF COMMITTEE**

**Article 3** The Strategy and Investment Committee shall be composed of three directors.

**Article 4** The members of the Strategy and Investment Committee shall be nominated by the chairman of the Board, more than half of the independent non-executive directors or more than one-third of all directors, and shall be elected by the Board.

**Article 5** The Strategy and Investment Committee shall have one chairman, who shall be elected from among its members. and be responsible for presiding over the work of the committee and convening meetings.

**Article 6** The Strategy and Investment Committee shall have the same term of office as the Board. A member of the Strategy and Investment Committee may serve consecutive terms if re-elected upon the expiration of his/her term. If any member ceases to hold office as a director of the Company during the term, such member shall automatically lose his/her position as a member of the Strategy and Investment Committee. The vacancy shall be filled by the Board in accordance with the rules.

**Article 7** The strategy and investment department of the Company is the administrative office of the Strategy and Investment Committee, which is responsible for routine work and liaison, organization of meetings, etc.

### **CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 8** The principal duties and authorities of the Strategy and Investment Committee shall include:

- (i) to study and give advice on the strategic plans for the long-term development of the Company;
- (ii) to study and give advice on significant investment and financing plans that are subject to the approval of the Board as required in the Articles of Association;
- (iii) to study and give advice on significant capital operation and asset management projects that are subject to the approval of the Board as required in the Articles of Association;
- (iv) to review the investment and acquisition development strategies and annual investment plans of the Company;
- (v) to review the project evaluation system of the Company, including effective evaluation agencies and professionals, complete evaluation procedures, reasonable evaluation standards and other elements;
- (vi) to review and make decisions on the acquisition and disposal of projects within the scope of authorization according to the authorization of the Board;
- (vii) to study and give advice on other significant matters that affect the development of the Company;
- (viii) to check the implementation of the foregoing;
- (ix) to handle such other matters as authorized by the Board.

**Article 9** The Strategy and Investment Committee shall be accountable to the Board. Proposals of the committee shall be submitted to the Board for consideration and determination.

#### **CHAPTER 4 WORKING PRACTICES**

**Article 10** The strategy and investment department of the Company is in charge of the preliminary preparation for the decision-making of the Strategy and Investment Committee and shall provide relevant information of the Company, including:

- (i) materials including intentions, preliminary feasibility reports and basic information of cooperation partners of significant investment and financing, capital operation and asset management projects reported to the strategy and investment department of the Company by the person in charge of the relevant departments of the Company or the Company's subsidiaries or enterprises in which the Company has equity interests;
- (ii) initial reviews, comments on project proposals and reports to the Strategy and Investment Committee for record purposes by the strategy and investment department of the Company;
- (iii) external negotiations of agreements, contracts, the articles of association and feasibility reports by the relevant departments of the Company or the Company's subsidiaries or enterprises in which the Company has equity interests, and reports to the strategy and investment department of the Company;
- (iv) the formal proposals which have been reviewed, and for which written comments have been provided, and have been submitted to the Strategy and Investment Committee by the strategy and investment department of the Company.

**Article 11** The Strategy and Investment Committee shall convene meetings to discuss proposals submitted by the strategy and investment department of the Company, and make decisions on the investment projects within its approval authority. If the investment and financing projects are beyond the approval authority of the Strategy and Investment Committee, the result of discussion shall be submitted to the Board by the Strategy and Investment Committee for approval and shall be fed back to the strategy and investment department of the Company.

**Article 12** Investment projects which involve related party transactions shall be considered and approved by the Strategy and Investment Committee prior to submission to the Board and shareholders' meeting for consideration.

**Article 13** The relevant departments of the Company shall have the obligation to cooperate with the Strategy and Investment Committee to carry out its work and provide relevant materials.

## CHAPTER 5 RULES OF PROCEDURES

**Article 14** The Strategy and Investment Committee shall convene meetings according to the needs of the business development of the Company. Seven days' notice shall be given to all members of the committee prior to the meeting. The meetings shall be presided over by the chairman, or, where the chairman is unable to preside over the meetings, one of the members as authorized by the chairman. In case of an emergency, the abovementioned time of notice can be exempt under the approval of more than half of all members.

**Article 15** The quorum of the meetings of the Strategy and Investment Committee shall be more than two-thirds. Each member shall have one vote and the resolutions of the meetings shall be passed by more than half of all members.

**Article 16** The meetings of the Strategy and Investment Committee shall be convened under the principle of onsite meeting. Provided that members may fully express their opinions, meetings may be convened by way of video, telephone, facsimile transmission or email if necessary. The meetings of the committee can also be convened onsite and via other methods simultaneously.

**Article 17** Resolutions at the meetings of the Strategy and Investment Committee shall be determined by show of hands, by poll or by communication.

**Article 18** If deemed necessary for the meetings of the Strategy and Investment Committee, directors, members of the Audit Committee and senior management members of the Company can be invited to present at the meetings.

**Article 19** The Strategy and Investment Committee may engage intermediary agencies to provide professional advice for its decisions making, if necessary, and the expenses incurred shall be borne by the Company.

**Article 20** The procedures for convening a meeting, the methods of voting and the resolutions passed by a meeting of the Strategy and Investment Committee shall be in conformity to the provisions of the relevant laws, regulations, the Articles of Association and the rules.

**Article 21** The Strategy and Investment Committee shall keep written minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting. The meeting minutes shall be kept by the secretary of the Board.

**Article 22** The resolutions and poll results at the meetings of the Strategy and Investment Committee shall be reported to the Board of the Company in written form.

**Article 23** Members who attend the meetings shall keep confidential all matters discussed in the meetings. Unauthorized disclosure of the relevant information shall be prohibited.

## CHAPTER 6 SUPPLEMENTARY PROVISIONS

**Article 24** In the rules, the meaning of “more than” includes the underlying number, the meaning of “exceeding” does not include the underlying number, and “day(s)” refers to business day(s). Unless otherwise stated, technical terms used herein shall have the same meanings as they appear in the Articles of Association.

**Article 25** The rules shall come into effect from the date when it is considered and passed by the Board.

**Article 26** For any matters that are not covered in the rules or if the rules contravene relevant laws, regulations, regulatory documents and the Articles of Association, the above-mentioned laws, regulations, regulatory documents and the Articles of Association shall prevail and the rules shall be amended in a timely manner.

**Article 27** The rules shall be revised and interpreted by the Board of the Company.

**Important Note: The English version is for reference only. Should there be any inconsistency between the English and Chinese versions, the latter shall prevail.**