

BEIJING SINOHYTEC CO., LTD.
TERMS OF REFERENCE OF THE STRATEGY COMMITTEE
UNDER THE BOARD OF DIRECTORS

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Chapter 1 General Provisions

Article 1 In order to accommodate the needs of strategic development of the Beijing SinoHytec Co., Ltd. (the “**Company**”), strengthen its core competitiveness, determine its development plans, improve its investment decision-making processes, strengthen viable strategic decision-making, enhance the efficacy and quality of major investment decisions, and improve the corporate governance structure, the Company shall formulate these terms of reference in accordance with the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stock on the Science and Technology Innovation Board of Shanghai Stock Exchange (the “**Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and the Articles of Association of the Company (the “**Articles**”), and other laws and regulations.

Article 2 The strategy committee the (“**Strategy Committee**”) of the board of directors (the “**Board**”) is a specialised working body established by the Board according to a resolution at a general meeting, which is mainly responsible for formulating the mid to long-term strategic objectives and development plans of the Company, reviewing the mid to long-term strategic objectives and development plans of each business and management segment of the Company, and supervising and guiding the implementation of the Company’s strategies, and shall report to and be accountable to the Board.

Chapter 2 Composition

Article 3 The members of the Strategy Committee shall consist of three directors.

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

Article 5 The Strategy Committee shall have one chairperson (the convener) who shall be the chairman of the Board.

The chairperson shall be responsible for convening and presiding over the Strategy Committee meetings; where the chairperson cannot or is unable to fulfill his/her duties, he/she shall designate another member to act on his/her behalf; if the chairperson fails to fulfill his/her duties, and does not designate another member to act on his/her behalf, more than half of the members of the Strategy Committee shall elect a member to fulfill the duties of the chairperson.

Article 6 The term of office of the Strategy Committee shall be identical to that of the Board. A member may seek re-election upon expiry of his/her term. Any member of the Strategy Committee who no longer holds office as a director of the Company during the term shall automatically cease to be a member of the Strategy Committee, and the Board shall appoint a new member to fill the vacancy pursuant to Article 3 to Article 5 as set out above.

Article 7 The office of the Board is responsible for the routine communications, as well as organizational work for the meetings of the Strategy Committee. The secretary to the Board will attend the meetings of the Strategy Committee.

Chapter 3 Duties and Authorities

Article 8 The major duties and authorities of the Strategy Committee include:

- (I) the formulation of long-term development strategies for the Company;
- (II) the supervision and verification of major investment decisions of the Company; and
- (III) other matters authorised by the Board.

Article 9 The Strategy Committee shall be responsible to the Board. The resolutions made by the said committee shall be submitted to the Board for consideration and approval.

Chapter 4 Procedures of Decision Making

Article 10 The relevant department of the Company is responsible for making preliminary preparation for decision-making by the Strategy Committee, and for providing information in respect of the Company:

- (I) persons in charge of the relevant departments of the Company or its holding (or non-wholly-owned) enterprises shall submit information about major investments, capital operation, objectives of asset operation, preliminary feasibility reports and general information of the partners; and
- (II) the relevant department of the Company shall conduct preliminary reviews, which shall be subject to written comments issued by the general manager before a formal proposal is made to the Strategy Committee.

Article 11 The Strategy Committee holds meetings to discuss proposals by the relevant department of the Company, and submits the results of discussions to the Board, while giving feedback to the relevant department of the Company.

Chapter 5 Rules of Procedures

Article 12 The Strategy Committee meetings are convened by the chairperson. A three-day notice shall be given to all members before each meeting; however, such time limit is not applicable to emergent cases. The chairperson shall chair the meetings. If he/she is unable to be present, the chairperson may authorize any other member to chair the meeting.

Article 13 The Strategy Committee meetings should only be convened with the attendance of two-thirds or more of the members. Each member of the Strategy Committee shall be entitled to one vote and the resolutions adopted in the meeting must be approved by the majority of all the members.

Article 14 Votes shall be taken on a show of hands or on a poll at the Strategy Committee meetings, and extraordinary meetings can be held by communication voting.

Article 15 Wherever necessary, the Strategy Committee can invite other directors, supervisors, and other senior management members of the Company to attend the meetings.

Article 16 Wherever necessary, the Strategy Committee may engage intermediaries to provide professional opinions on its decision making at the expense of the Company.

Article 17 The convening procedures, voting methods, and the resolutions passed in the Strategy Committee's meetings must comply with the requirements of the relevant laws, regulations, the Articles, and these terms of reference.

Article 18 Minutes shall be taken on all Strategy Committee meetings and signed by each attending member. All meeting minutes shall be kept by the secretary to the Board (for a term of ten years).

Article 19 Resolutions passed at a Strategy Committee meeting and voting results thereon shall be submitted to the Board in writing.

Article 20 All members present at Strategy Committee meetings shall be obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

Article 21 The Strategy Committee shall make available its terms of reference, explaining its role and the power delegated to it by the Board by including them on the website of the Company and on the website of the stock exchange where its securities are listed in accordance with the relevant requirements of the listing rules of the listing venue where the securities of the Company are listed.

Chapter 6 Supplementary Provisions

Article 22 These terms of reference were considered and approved by the Board and will be enforced on the date of the listing of the overseas listed foreign shares (H shares) of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. From the effective date of these terms of reference, the existing Terms of Reference of the Strategy Committee under the Board of Beijing SinoHytec Co., Ltd. shall lapse automatically.

Article 23 For any matters not covered by these terms of reference, the relevant laws and regulations of the PRC, the Listing Rules, the Hong Kong Listing Rules and the Articles shall prevail. In the event that these terms of reference are in contravention with the laws, regulations, and normative documents promulgated subsequently by the PRC government, the Listing Rules, the Hong Kong Listing Rules or the Articles as amended under lawful procedures, the relevant laws, regulations, and normative documents of the PRC, the Listing Rules, the Hong Kong Listing Rules and the Articles shall prevail. Amendments to these terms of reference shall be made forthwith and submitted to the Board for approval.

Article 24 The interpretation of these terms of reference shall be vested in the Board.

NOTE: If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.