SANY HEAVY INDUSTRY CO., LTD.
TERMS OF REFERENCE OF
THE STRATEGY COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to adapt to the needs of SANY Heavy Industry Co., Ltd. (hereinafter referred to as the "Company") for strategic development, strengthen the scientificity and standardization of strategic decision making, and procure the Strategy Committee of the Board of Directors to perform its duties and responsibilities in an efficient manner, these terms of reference (hereinafter the "Terms of Reference") are formulated in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Articles of Association and other relevant laws, regulations and regulatory documents.

Article 2 The Strategic Committee of the Board of Directors is a specialized working body established by the Board of Directors in accordance with the resolutions of the Board of Directors, primarily responsible for conducting research and to make suggestions regarding the long-term development strategies and material investment decisions of the Company.

CHAPTER 2 COMPOSITION

Article 3 The Strategic Committee shall comprise three directors with at least one of them being an independent director.

Article 4 Members of the Strategic Committee shall be nominated by the Chairperson of the Board of Directors, more than half of the independent directors, or one-third of all directors, and elected by the Board of Directors.

Article 5 The Strategic Committee shall have a chairperson, who shall be the chairperson of the Board of the Company.

Article 6 The term of office of the Strategic Committee shall be identical to that of the Board of Directors. A member may be re-elected upon the expiration of his/her term of office. If a member ceases to be a director, his/her qualification as a Committee member will be revoked automatically and the position so vacated shall be filled by the Committee according to the provisions of Article 3 to 5 above.

Article 7 The Strategic Committee may designate relevant departments and personnel to assist in its work as required.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The main duties and authorities of the Strategic Committee are:

(1) to research and make recommendations on the Company's long-term development strategy;

(2) to research and make recommendations on major investment and financing plans that must be approved by the Board of Directors as stipulated in the Articles of Association;

(3) to research and make recommendations on major capital operations and asset management projects that must be approved by the Board of Directors as stipulated in the Articles of Association;

(4) to research and make recommendations on other major issues affecting the Company's development;

(5) to inspect the implementation of the above matters;

(6) other matters authorized by the Board of Directors.

Article 9 The Strategic Committee is accountable to the Board of Directors; proposals made by the Strategic Committee shall be subject to review and determination by the Board of Directors.

CHAPTER 4 RULES OF PROCEDURE

Article 10 The Strategic Committee shall convene at least one meeting each year with notification being served to all members three days before the date of convening the meeting. The meetings are convened and chaired by the chairperson, who, if unable to attend the meeting, may entrust another member to preside over the meeting.

Article 11 The meetings of the Strategic Committee shall be held only in the presence of more than two-thirds of the members. Each member shall have one vote. Resolutions proposed at the meetings must be approved by more than half of all members of the Strategic Committee.

Article 12 The meetings of the Strategic Committee shall be convened by way of physical meetings or through communication tools. Any voting at physical meetings should be taken by a show of hands or by poll, while any voting through communication tools should be taken by poll.

Article 13 The Strategic Committee may, when necessary, invite directors, supervisors and other members of senior management of the Company to attend the meetings.

Article 14 The Strategic Committee may engage an intermediary agency to provide professional advice on its decisions at the expense of the Company when necessary.

Article 15 The Strategic Committee should keep the minutes of the meetings. The minutes of the meetings shall be signed by the members present at the meetings, and shall be kept by the secretary of the Board of Directors of the Company.

Article 16 The resolutions approved and the voting results reached at the meetings of the Strategic Committee shall be reported in written form to the Board of Directors.

Article 17 All members attending the meetings of the Strategic Committee are obliged to keep confidential the matters discussed at the meeting and shall not disclose relevant information without authorization.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 18 The interpretation of the Terms of Reference should be vested in the Board of Directors of the Company.

Article 19 Matters not covered herein shall be subject to relevant laws and regulations and the Articles of Association. If relevant provisions of these Terms of Reference conflict with relevant laws and regulations and the amended Articles of Association according to legal procedure, such relevant laws and regulations and the provisions of the Articles of Association shall apply, and shall be promptly amended and reported to the Board of Directors for consideration and adoption.

Article 20 The Terms of Reference shall come into effect from the date of being approved by the Board of Directors.