SANY HEAVY INDUSTRY CO., LTD.
TERMS OF REFERENCE OF
THE SUSTAINABILITY COMMITTEE

CHAPTER 1 GENERAL PROVISIONS

Article 1 To drive sustainable and high quality development of SANY Heavy Industry Co., Ltd.(hereinafter the "Company"), enhance core competitiveness, and improve environmental protection, social responsibility and corporate governance of the Company, the Company formulates these terms of reference (hereinafter the "Terms of Reference") in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and the Articles of Association of SANY Heavy Industry Co., Ltd. (hereinafter the "Articles of Association"), and other normative documents.

Article 2 The Sustainability Committee is a specialized working committee established by the Board of Directors, primarily responsible for supervising and guiding the effective implementation of environmental protection, social responsibility, standard governance and other works of the Company, and promoting the development of environmental protection, social responsibility and corporate governance of the Company.

CHAPTER 2 COMPOSITION

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

Article 4 Members of the Sustainability 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 Sustainability Committee shall have one chairperson, who shall be the chairperson of the Board of the Company.

Article 6 The term of office of the Sustainability 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 Sustainability Committee shall establish working groups as daily administrative office, assisting the chairperson of the Sustainability Committee in carrying out routine duties.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The principal duties and authorities of the Sustainability Committee include:

(1) to coordinate and construct systems for environmental protection, social responsibility and corporate governance (hereinafter referred to as "ESG") of the Company, to study and formulate ESG vision, goal, strategy and structure for the Company, ensuring these aspects are in compliance with both strategic plan of the Company and applicable laws, rules and regulations;

(2) to focus on such risks and opportunities that have material influence on business operation of the Company in relation to ESG and offer advice on how such risks and opportunities will affect business operation of the Company;

(3) to study the ESG-relative plan and major matters of the Company, advance and lead the implementation of the ESG work and provide corresponding advice;

(4) to provide ESG training to senior management of the Company, regularly oversee and examine the implementation of the ESG work, and provide advice on how to improve ESG performance;

(5) to review relevant the ESG disclosures and documents of the Company, including but not limited to annual ESG report, and report to the Board of Directors;

(6) to conduct research and make recommendations on other major matters affecting the sustainable development of the Company;

(7) other matters authorized by the Board of Directors and other matters involved in related laws and regulations.

Article 9 The working group organizes meetings of the Sustainability Committee, implements relevant resolutions proposed by the Sustainability Committee and constantly oversees the implementation of the ESG work of the Company.

Article 10 The Sustainability Committee is accountable to the Board of Directors, with proposals being submitted to the Board of Directors for consideration and approval.

CHAPTER 4 RULES OF PROCEDURE

Article 11 The Sustainability Committee shall convene regular meetings and interim meetings. The regular meetings shall be convened at least once every year, and all members shall be notified three days in advance of the meetings. The meeting shall be convened and presided by the chairperson of the Sustainability Committee, and a member of the Sustainability Committee may be delegated to preside over the meeting if the chairperson is unable to attend.

Article 12 Meetings of the Sustainability Committee shall only be held with the attendance of more than two-thirds of its members. Each member is entitled to one vote. Resolutions proposed at the meetings must be approved by more than half of all members of the Sustainability Committee.

Article 13 The meetings of the Sustainability 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 14 The Sustainability Committee may, when necessary, invite directors, supervisors and other members of senior management of the Company to attend the meetings.

Article 15 The Sustainability Committee may engage an intermediary agency to provide professional advice on its decisions at the expense of the Company when necessary.

Article 16 The Sustainability Committee should keep the minutes of the meetings, which shall be signed by the members present at the meetings and kept by the secretary of the Board of Directors of the Company.

Article 17 The resolutions approved and the voting results reached at the meetings of the Sustainability Committee shall be reported in written form to the Board of Directors of the Company.

Article 18 All members attending the meetings of the Sustainability Committee are obliged to keep confidential the matters discussed at the meetings and shall not disclose relevant information without authorization.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 19 The interpretation of the Terms of Reference should be vested in the Board of Directors of the Company.

Article 20 Matters not covered herein shall be subject to relevant laws and regulations and provisions of the Articles of Association. If relevant provisions of the Terms of Reference conflict with relevant laws and regulations and the amended Articles of Association according to legal procedure, such laws and regulations and the provisions of the Articles of Association shall apply and the Terms of Reference shall be amended immediately and reported to the Board of Directors for consideration and approval.

Article 21 The Terms of Reference shall come into force from the date on which it is considered and approved by the Board of Directors.