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, improve the Company's environmental, social, and governance (ESG) management level, enhance the Company's core competitiveness and sustainable development capability, determine the Company's development plan, improve its investment decision-making procedures, strengthen the scientificity of decision-making, improve the efficiency and quality of material investment decisions, and optimize the Company's corporate governance structure, the Strategy Committee of the Board of Directors (hereinafter referred to as the "Committee") is hereby established, and these terms of reference (hereinafter referred to as 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Shanghai Stock Exchange Self-Regulatory Guidance No. 1 for Listed Companies — Standardized Operation, the Articles of Association and other relevant provisions.

Article 2 The Committee is a specialized working committee under the Board of Directors, primarily responsible for conducting research and making suggestions and proposals to the Board of Directors regarding the long-term development strategies and, material investment decisions of the Company, as well as its ESG development.

CHAPTER 2 COMPOSITION

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

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

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

Article 6 The term of office of the 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 Committee shall establish an Investment Review Group, with the President of the Company serving as the head of the Investment Review Group, and there shall be one to two deputy heads.

Article 8 The President's Office of the Company is the executive body for the Company's ESG strategy and decisions, which shall establish a Sustainable Development Committee, comprising the Company's President and Vice Presidents in key positions as members, responsible for the specific implementation of ESG matters. The President's Office shall report to the Committee on the implementation of the ESG strategy and decisions, and shall provide the necessary information for the Committee's research and recommendations on ESG development.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The main duties and authorities of the 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 the Company's ESG strategy and objectives;

(5) to review the progress of the implementation of the ESG strategy and objectives, listen to the work reports of the President's Office of the Company, and provide opinions;

(6) to review the Company's annual social responsibility report (ESG report) and provide opinions;

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

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

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

Article 10 The Committee is accountable to the Board of Directors; proposals made by the Committee shall be subject to review and determination by the Board of Directors.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 11 The Investment Review Group is responsible for the preliminary preparation for the Committee's decisions and providing relevant information regarding the Company:

(1) The principal officers of relevant departments or holding (investee) enterprises of the Company shall submit intentions, preliminary feasibility reports, and basic information on partners in respect of material investment and financing, capital operation, and asset management projects;

(2) The Investment Review Group shall perform preliminary review procedures, issue written opinions, and submit the same to the Committee for filing;

(3) Relevant departments or holding (investee) enterprises of the Company shall engage in negotiations on, among others, agreements, contracts, articles of association, and feasibility reports with external parties, and report the same to the Investment Review Group;

(4) The Investment Review Group shall perform assessment and review procedures, issue written opinions, and submit formal proposals to the Committee;

(5) The Committee shall convene a meeting based on the proposals from the Investment Review Group for discussions, submit the results of such discussions to the Board of Directors, and provide feedback to the Investment Review Group.

Article 12 For ESG management matters, the Sustainability Committee is responsible for collating the preliminary information, compiling data, proposing plans, and preparing the ESG report, which shall be made available for the Committee's decisions, and submitting the same to the President's Office for review. Following the review by the President's Office, a formal proposal shall be submitted to the Committee. The Committee shall convene a meeting based on the information from the President's Office of the Company, submit the meeting conclusions and resulting proposals to the Board of Directors, and provide feedback to the President's Office of the Company.

CHAPTER 5 RULES OF PROCEDURE

Article 13 The Committee shall convene meetings based on actual needs. The meetings are chaired by the chairperson, who, if unable to attend the meeting, may entrust another member (independent director) to preside over the meeting.

Article 14 The meetings of the Committee shall be held only in the presence of two-thirds or more 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 15 Any voting at the meetings of the Committee should be taken by a show of hands or by poll. Ad hoc meetings may be convened by way of communication voting.

Article 16 The head and deputy heads of the Investment Review Group, the person in charge of the President's Office, and the person in charge of the Sustainability Committee may attend the Committee meetings, when necessary, directors and other senior management of the Company may also be invited to attend the meetings.

Article 17 The Committee may engage an intermediary agency to provide professional advice on its decisions at the expense of the Company when necessary.

Article 18 The convening procedures, voting methods, and resolutions approved at the meetings of the Committee must comply with the provisions of relevant laws, regulations, the Articles of Association, and these Terms of Reference.

Article 19 The 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 20 The resolutions approved and the voting results reached at the meetings of the Committee shall be reported in written form to the Board of Directors.

Article 21 All members attending the meetings of the Committee are obliged to keep confidential the matters discussed at the meeting and shall not disclose relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 22 The Board of Directors of the Company shall be responsible for interpreting these Terms of Reference. The term "independent director" in these Terms of Reference shall have the same meaning as "independent non-executive director" in the Hong Kong Listing Rules.

Article 23 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 to be promulgated in the future or 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 24 The Terms of Reference shall come into effect and be implemented from the date of being considered and approved by the Board of Directors, and the same shall apply to any amendments.