

BAIC MOTOR CORPORATION LIMITED

**Terms of Reference of
Strategy Committee of the Board**

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CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to strengthen the core competitiveness, improve the decision-making procedures of investment, enhance the scientific decision-making procedures, and refine the corporate governance structure of the Company according to the needs of strategic development of the Company, the strategy committee (the “Strategy Committee” or the “Committee”) under the board of directors (the “Board”) was formed and these terms of reference were formulated in accordance with the Company Law of the People’s Republic of China, Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and the Code of Corporate Governance set out in Appendix XIV to the Listing Rules, the Articles of Association of BAIC Motor Corporation Limited (the “Articles of Association”) and other relevant regulations.

Article 2 The Strategy Committee is a special committee established under the Board and is responsible for providing advices and suggestions for decisions made by the Board and the chairman of the Board in relation to issues within the scope of authorization delegated by the Board, and shall be accountable and report to the Board.

CHAPTER 2 COMPOSITION OF THE COMMITTEE

Article 3 The Strategy Committee shall comprise ten members who shall be nominated by the chairman of the Board and elected by a majority of the members of the Board. Upon the approval of the resolution for the election of members, the appointment of the newly-elected committee member shall become effective immediately after such resolution of the Board takes effect.

Article 4 The Strategy Committee shall have a chairman responsible for organizing the work of the Committee, whom shall be the chairman of the Board.

Article 5 The term of office of the members of the Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member serving as a director of the Company ceases to be a director of the Company during his/her term of office, he shall *ipso facto* and immediately cease to hold the position of the member of the Committee.

Article 6 Member of the Committee may resign prior to the expiry of his/her term of office. Written resignation report shall include a statement of the reason for such resignation and if necessary, the matters that shall be brought to the attention of the Board.

Article 7 Members of the Committee may be adjusted during their terms of office according to the recommendation of the chairman of the Board and upon the consideration and approval of the Board.

Article 8 In the event that the number of members of the Committee falls below the quorum provided in these terms of reference, the vacancy shall be filled up in accordance with these terms of reference.

CHAPTER 3 DUTIES OF THE COMMITTEE

Article 9 Principal duties of the Strategy Committee are as follows:

- (1) to review and make suggestions for the medium-to-long-term development strategies (including overall-strategies, human resources strategies and operation strategies) and development plans and proposals of the Company, and to evaluate and monitor the implementation of such plans;
- (2) to review the annual operation plans and investment proposals of the Company;
- (3) to review and make suggestions for plans regarding the increase or reduction of the registered capital, and proposals of corporate merger, division, and dissolution or change of the form of the Company;
- (4) to review and make suggestions for matters such as major investment, financing, guarantee, capital operation and asset operation which are subject to the approval of the Board or the chairman of the Board as authorized by the Board;
- (5) to review and make suggestions for matters such as major business reorganization, acquisition, merger and asset transfer which are subject to the approval of the Board or the chairman of the Board as authorized by the Board;
- (6) to review and make suggestions for the expansion to new markets, new business and new products of the Company;
- (7) to review and make suggestions for any major reorganization and restructuring proposal of the Company;
- (8) to guide and supervise the implementation of relevant Board resolutions;
- (9) other duties as conferred by the Board.

Article 10 Duties of the chairman of the Committee include:

- (1) to convene and chair the meetings of the Committee;
- (2) to supervise and examine the operations of the Committee;
- (3) to sign on relevant documents of the Committee;
- (4) to report to the Board on the operations of the Committee;
- (5) to ensure the effective operation and performance of duties of the Committee;
- (6) other duties as requested by the Board.

Article 11 The duty performance of the Committee shall comply with the Company Law, the Articles of Association and these terms of reference and shall not prejudice the interests of the Company and shareholders.

Article 12 If necessary, the Committee may engage intermediary agencies to provide professional advice for its decision-making upon approval of the Board, and the reasonable expenses incurred thereby shall be borne by the Company.

CHAPTER 4 MEETINGS OF THE COMMITTEE

Article 13 The Strategy Committee shall meet at least once a year, with a written notice dispatched to all members three days prior to the meeting. In principle, meetings of the Committee shall be held in the form of on-site meeting. Upon approval of the chairman of the Committee (who shall not unreasonably refuse to approve), meetings may be held by way of communication such as teleconference and video conference or through written proposals to be considered respectively. In case of emergencies or extraordinary circumstances, the aforesaid time and procedures of notice may be waived upon approval of the chairman, while the chairman shall explain accordingly at the meeting.

Article 14 The office of the Board is responsible for notices and affairs of the meetings of the Committee. The notice of meeting shall specify, among others, the time, place, session, agenda and topics of the meeting and the date of notice.

Article 15 Upon reception of the notice of meeting, members of the Committee shall give confirmation and provide relevant information (including but not limited to the availability of presence and schedule) in a timely and appropriate manner.

Article 16 Quorum of the meetings of the Committee shall be at least two thirds of all members.

Members should be present in person at the meetings (physically attending or through means of communication). A member unable to be present in person may appoint another member of the Committee by the power of attorney as duly signed to attend and exercise relevant duties and powers at the meeting on his/her behalf. The power of attorney shall specify, among others, the names of the principal and the proxy, and the scope, authority and validity period of authorizations.

Article 17 Any member failing to attend a meeting of the Committee in person without justifiable reasons for three times in succession shall be deemed as incapable of performing the duties for a member of the Strategy Committee, and is subject to replacement by the Board in accordance with these terms of reference.

CHAPTER 5 PROCEDURES OF MEETINGS

Article 18 Meetings of the Committee shall be held in the form of on-site meeting, where voting shall be made by a show of hands or by poll. If meetings are held by way of communication, such as teleconference or video conference, or through written proposals to be considered respectively, members of the Committee shall submit documents of meetings of the Committee such as completed votes and signed audit opinions to the office of the Board within the time specified in the notice of meeting.

If meetings are held by way of communication such as teleconference and video conference, it shall be ensured that members of the Committee attending the meeting can hear the speech of other members clearly and communicate with each other. Meetings held by telecommunication such as teleconference and video conference shall be recorded and the audio or video of such meetings shall be kept permanently. Voting of relevant meetings of the Committee shall be subject to the voice votes of the members in the audio or video record of such meetings. The voice votes of the members at meetings held by telecommunication such as teleconference and video conference shall be consistent with their signed written documents after the meeting. If the signed written documents are not consistent with the voice votes, the voice votes shall prevail. Members participating in the meeting by telecommunication such as teleconference and video conference shall be deemed as attending such meeting in person.

Article 19 When reviewing and discussing the proposed matters at the meeting of the Committee, members of the Committee shall clearly, independently and fully express their views based on their own judgment. Major opinion of each member of the Committee shall be specified in the minutes of the meeting.

Article 20 The chairman of the Committee shall, on the basis of adequate review and discussion, form an audit opinion on the matters discussed at the meeting of the Committee by summarizing the discussions and opinions of the members at the meeting, and shall provoke the members to vote on matters so discussed and the audit opinion by a show of hands or by poll. Each member of the Committee shall have one vote. The audit opinion on the matters discussed at the meeting formed by the meeting of the Committee shall be passed by more than half of the votes. Where there is an equality of votes for and against a resolution, the chairman of the Committee shall have a casting vote. Members who cast votes against a resolution are entitled to demand their objection to be indicated in the audit opinion of the Committee.

In the event of insufficient information or materials as required by the proposed matters, resulting in over half of the members are of the views that no discussion or judgment can be made, the chairman of the Committee shall reserve the right to require the provision of additional information or materials for further consideration.

Save as described above, the Committee shall express its opinions with explicit agreement or disagreement with the subject matters.

Article 21 The secretary of the Board of the Company shall attend meetings of the Committee, and other directors of the Company, relevant senior management, personnel of relevant functional departments of the Company as well as relevant experts, scholars and representative of intermediary agency may be invited to attend the meeting when necessary. Persons attending the meeting shall give explanations on relevant matters at the request of the members of the Committee. The chairman of the board of supervisors can attend the Committee meetings in non-voting capacity.

Article 22 Where a member of the Committee is interested in the matter being discussed at the meeting of the Committee, he/she shall be abstained from attending such meeting.

Article 23 Minutes shall be kept for the meetings of the Strategy Committee, bearing signatures of the members present at the meetings, and shall be kept by the office of the Board of the Company. The draft and final versions of the meeting minutes of the Committee shall be delivered within a reasonable period of time after the meeting to all members of the Committee for their comment and inspection respectively.

Article 24 Proposals and voting results adopted at the meetings of the Strategy Committee shall be reported to the Board of the Company in writing. In the case that it is difficult to reach an agreement on a proposal, the different opinions shall be submitted to the Board with explanations.

Article 25 Members of the Committee attending the meeting shall undertake confidentiality obligations for all items discussed at the meeting. Relevant information shall not be disclosed without permission.

CHAPTER 6 WORKING UNITS OF THE COMMITTEE

Article 26 The office of the Board shall act as the regular administrative body of the Committee and shall be responsible for daily work communication, organization of meetings and secretarial work.

Article 27 Departments including the planning and development department, investment management department, capital operations department and treasury department are the decision-supporting departments of the Committee and shall provide relevant materials, draft relevant documents and make suggestions as required by the Committee.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 28 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

Article 29 These terms of reference shall become effective upon approval of the Board of the Company.

Article 30 Any matters not covered by these terms of reference shall be subject to relevant laws, regulations, rules of securities regulatory authorities and stock exchanges of China and the Articles of Association. In case of any discrepancy between these terms of reference and the laws and regulations to be promulgated by the Chinese government in the future, the rules of securities regulatory authorities and stock exchanges or the Articles of Association as amended according to laws, the relevant laws and regulations, rules of securities regulatory authorities and stock exchanges of China and the Articles of Association shall prevail, and these terms of reference shall be revised immediately upon consideration and approval of the Board.

Article 31 The interpretation of these terms of reference shall be vested to the Board of the Company.