

Beijing Jingcheng Machinery Electric Company Limited

Enforcement Regulations for the Directors Board Strategy Committee

(In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

Chapter 1 General Provisions

Article 1 With a view to addressing its strategic development requirements, enhancing its core competitiveness defining its corporate development plans, improving its investment decision-making processes, strengthening viable decision-making, enhancing the major investment decision-making efficiency and quality, rationalizing company's governance structure , the Company hereby has established the Directors Board Strategy Committee, and formulated this Enforcement Regulations in accordance with *the Company Law of the People's Public of China, the Code of Corporate Governance for Listed Companies*, its *Articles of Association* and the other relevant regulations.

Article 2 The Strategy Committee of the Board is a dedicated body established under the Board to be primarily responsible for reviewing and advising on the Company's long-term development strategies and significant investment decisions.

Chapter 2 Personal Composition

Article 3 The Strategy Committee shall consist of five directors, including at least one independent director.

Article 4 The members of the Strategy Committee shall be nominated by the Chairman of the Board, at least one half of independent directors, or one-third of the total Board members, and elected by the Board.

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

Article 6 The term of office of the Strategy Committee shall be identical to that of the Board. A member may offer himself/herself for re-election upon the expiration of his/her term of office. 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 Committee, and the vacancy shall be filled by the other Committee member with the arrangement of the Committee in light of Articles 3 to 5 above.

Chapter 3 Duties and Authorities

Article 7 The main duties and authorities of the Strategy Committee include: (i) to define and review the Company's development strategies and mid- and long-term plans, and make relevant recommendations to the Board; (ii) to review and advise on the Company's annual business plans and their revised versions that have to be submitted to the Board for review; (iii) to review and advise on projects that must be approved by the Board as required by the Articles of Association, such as major external investments, M&As, infrastructure, key technical transformations and breakthroughs, strategic R&D projects; (iv) to review mergers, demergers, increase or decrease in funding, liquidation and other key matters that may affect corporate development, and make relevant recommendations to the Board; (v) to establish policies and practices on corporate governance, management and control systems as well as organizational structure, including suggestions made to the Board on corporate governance guidelines, oversee the implementation of such policies and guidelines by the Company, and enable their continuous improvement and optimization; (vi) to review and advise on other key matters that may affect corporate development; (vii) to inspect the implementation of the items above; and (viii) other matters as authorized by the Board.

Article 8 The Secretariat of the Strategy Committee is established under the Board of Directors Secretariat and the Business Operation Division. The former is responsible for daily strategic planning, while the latter for daily investment management. There is an investment review panel under the Strategy Committee, which is led by the General Manager of the Company. Besides, the panel shall have one or two deputy heads.

Article 9 The Strategy Committee shall report to the Board and submit its proposals to the Board for review.

Chapter 4 Decision-making Procedures

Article 10 The Company executive's echelon may make deployment regarding strategic development and investment initiatives as instructed by the Strategy Committee.

Article 11 The Board of Directors Secretariat is responsible to make preliminary preparation for decision-making by the Strategy Committee and to provide information in respect of the Company: (i) the relevant divisions of the Company or companies of which the Company is the holding company or which are stock-participating companies of the Company offer basic facts concerning the industry, market and implementation of strategies; (ii) to perform external analysis of policies, macro economy, industry and market conditions as well as analysis of the Company's in-house resources and capabilities, develop strategic plans and submit them to the Strategy Committee for review; and (iii) to refine and adjust proposed strategic plans based on the allocation of corporate resources by the Strategy Committee so as to create definitive strategic plans, and submit formal proposals to the Strategy Committee.

The Business Operation Division is responsible to make preliminary preparation for decision-making by the Strategy Committee and to provide information in respect of the Company: (i) the relevant divisions or holding (joint stock) businesses of the Company offer basic facts concerning significant investments, capital operation, proposed asset management projects, preliminary feasibility reports and partners; (ii) the investment review panel conducts an initial review, gives comments on project proposal, and reports to the Strategy Committee; (iii) the relevant divisions or holding (joint stock) businesses of the Company negotiate externally on agreements, contracts, articles of association and feasibility reports and report to the investment review panel; and (iv) the investment review panel conducts a review, gives written comments, and submits a formal proposal to the Strategy Committee.

Article 12 The Strategy Committee holds meetings to discuss proposals by the Board of Directors Secretariat or the investment review panel, and submits the results of discussions to the Board, while giving feedback to the Board of Directors Secretariat or the investment review panel.

Chapter 5 Procedural rules

Chapter 13 The Strategy Committee holds meetings on demand from time to time each year. Five-day-in-advance notice shall be given to all members before each meeting. The chairman of the Committee shall chair the meetings. If he/she is unable to be present, the chairman may authorize any other member to chair the meeting.

Article 14 Two-thirds of the members are required to constitute a quorum of a Strategy Committee meeting. Each member shall be entitled to one vote. Resolutions at any meetings shall be passed by a simple majority of votes of all the members.

Article 15 Votes shall be taken on a show of hands or on a poll.

Article 16 The Strategy Committee accepts written proposals as substitute for Strategy Committee meetings, subject to written consent from a simple majority of all the members.

Article 17 Head and deputy head(s) of the investment review panel may be present at a Strategy Committee meeting. Where necessary, directors, supervisors or any other persons whom the Committee believes need to attend the meeting may be invited to be present at the meeting.

Article 18 Intermediaries may be engaged by the Strategy Committee at the expense of the Company to give professional advice on its decision-making if necessary.

Article 19 The holding of a Strategy Committee meeting, voting processes and resolutions passed at the meeting shall be compliant with laws, regulations, the Company's *Articles of Association* and provisions herein.

Article 20 Minutes shall be taken on all meetings of the Strategy Committee and signed by each attending member. All meeting minutes shall be kept by the Secretary of the Board for five years.

Article 21 Resolutions passed at a Strategy Committee meeting and voting results thereon shall be submitted to the Board in writing.

Article 22 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.

Chapter 6 Addendum

Article 23 The Enforcement Regulations shall take effect from the date the resolution is passed by the Board.

Article 24 In case of matters not covered herein, the relevant state laws, regulations and *the Articles of Association* of shall apply. In case any of the Enforcement Regulations conflicts with the state laws and regulations which are to be issued in the future or the *Articles of Association* as legally modified, the relevant state laws, regulations and the *Articles of Association* shall prevail. In such case, corresponding amendments shall be made to the Enforcement Regulations immediately and submitted to the Board for approval.

Article 25 The Enforcement Regulations shall be construed and interpreted by the Board of the Company.