



齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1576)

**TERMS OF REFERENCE OF THE
STRATEGY COMMITTEE OF THE BOARD OF DIRECTORS**

CHAPTER 1 GENERAL

Article 1 In order to facilitate the strategic development of Qilu Expressway Company Limited (the “**Company**”), to strengthen its core competitiveness, to improve its investment decision-making process, to enhance the effectiveness of its decision – making process, to improve the practicability of its decisions and to enhance its corporate governance, the Company has established the strategy committee of the board (the “**Board**”) of directors of the Company and formulated these terms of reference in accordance with local and overseas regulations for listed companies, including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Associations of Qilu Expressway Company Limited (the “**Articles of Association**”).

Article 2 The strategy committee is a specialised working organisation established by the Board pursuant to the Articles of Association. The main duties of the committee are to conduct researches and submit proposals to the Board concerning the long-term development strategies and material investment decisions of the Company.

CHAPTER 2 COMPOSITION

Article 3 The strategy committee shall comprise five directors.

Article 4 The members of the strategy committee shall be nominated by the chairman of the Board, not less than half of independent non-executive directors or not less than one-third of all directors for election by the Board.

Article 5 The strategy committee shall have a chairman who shall be the chairman of the Board and shall be in charge of the work of the strategy committee.

Article 6 The term of office of the members of the strategy 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 ceases to be a director of the Company during his/her term of office, he/she shall automatically be disqualified as a member of the committee. The vacancy shall be filled up by the Board in accordance with the Article 3 to Article 5 above.

CHAPTER 3 DUTIES

Article 7 The principle duties of the strategy committee are as follows:

- (1) to study and make recommendations on the planning of long-term development strategies of the Company;
- (2) to study and make recommendations on major financing plans subject to approval of the Board in accordance with the Articles of Association;
- (3) to study and make recommendations on major funding and assets operation projects subject to approval of the Board in accordance with the Articles of Association;
- (4) to study and make recommendations on the operation plan and annual budget plan of the Company;
- (5) to study and make recommendations on other major affairs affecting the development of the Company;
- (6) to inspect the implementation of the above matters; and
- (7) any other matters as authorised by the Board.

Article 8 The strategy committee shall be accountable to the Board and proposals of the strategy committee shall be submitted to the Board for approval.

The strategy committee shall provide the Board with its discussion, material and information in the form of reports, proposals and conclusions and others for the Board's study and consideration.

CHAPTER 4 WORKING PROCEDURES

Article 9 The working team under the strategy committee shall be responsible for the preparatory works for the decision-making and prepare the following information of the Company according to the following working procedures:

- (1) person-in-charge of the relevant department of the Company, its subsidiaries and associated companies shall report information of significant investment and financing, capital operation, asset operation and other projects, including their objectives, preliminary feasibility study reports and general information of partners;
- (2) the working team shall conduct preliminary review and issue written opinions on the approval of project, and report to the strategy committee;
- (3) the relevant departments of the Company, its subsidiaries and associated companies shall negotiate with the external counterparties about relevant matters, including the agreements, contracts, constitutions (including drafts) and feasibility study reports, and submit the relevant written materials to the working team;
- (4) the working team shall conduct review, issue written opinions and submit the proposals to the strategy committee.

Article 10 The strategy committee shall convene meetings based on the proposals submitted by the working team, conduct discussion and submit the result of discussion to the Board and give feedback to the working team.

Article 11 The strategy committee may invite other directors, supervisors, senior management members and other relevant persons to sit in its meetings if necessary.

Article 12 The strategy committee may engage an intermediary institution to provide professional advice on its review, if necessary for relevant projects. Any reasonable costs so incurred shall be borne by the Company.

CHAPTER 5 RULES OF PROCEDURES

Article 13 The strategy committee shall convene meetings from time to time. All members shall be given not less than 7 days' prior notice before the meeting of the committee. In case of special circumstances, a notice of less than 7 days may be served to the extent that more than two-thirds of the strategy committee raises no disagreement. The meeting shall be convened and chaired by the chairman. In the event that the chairman fails to attend the meeting, the chairman may appoint another committee member to convene and chair the meeting.

Article 14 Quorum of the meeting of the strategy committee shall be not less than two-thirds of the members (including members appointing other members to attend the meeting in written form). Each member shall have one vote. A resolution of the meeting shall be passed by more than half of all the committee members.

Article 15 Voting at the meeting of the strategy committee shall be taken by a show of hands or by poll. An extraordinary meeting may be convened in the form of vote by correspondence.

Article 16 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the strategy committee shall comply with the requirements of relevant laws, regulations, the Articles of Association and these terms of reference.

Article 17 The strategy committee shall keep minutes of its meetings. The minutes shall be signed by committee members who attended the meeting. The meeting minutes shall be kept by the secretary of the Company.

Article 18 The resolutions passed and the voting results at the meeting of the strategy committee shall be submitted to the Board in written form.

Article 19 All members of the committee present at the meetings shall keep confidential all matters discussed at the meeting and shall not disclose relevant information without approval.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 20 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

Article 21 These terms of reference shall become effective after being approved by the Board.

Article 22 For any matters not covered by these terms of reference, the relevant laws and regulations of the People's Republic of China and the Articles of Association shall apply. In the event that these terms of reference contravene any future laws and regulations of the People's Republic of China or the Articles of Association as legally amended, the relevant laws and regulations of the People's Republic of China and the Articles of Association shall prevail. In such event, these terms of reference shall be amended immediately and submitted to the Board for approval.

Article 23 Such terms as "no less than" as mentioned herein shall include in the amount the figures listed; such terms as "more than" shall not include the figures listed.

Article 24 These terms of reference shall be formulated, amended and interpreted by the Board.

Note: In case of any inconsistency between the English and Chinese version of these terms of reference, the Chinese version shall prevail.