



中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)
(Stock code: 1129)

TERMS OF REFERENCE OF INVESTMENT COMMITTEE

1. CONSTITUTION

- The board of directors (the “**Board**”) of China Water Industry Group Limited (the “**Company**”) has established an Investment Committee on 18 December 2008 and approved its terms of reference.

2. MEMBERS

- The majority members of Investment Committee shall be appointed from amongst the executive Directors of the Company, shall consist of not less than five members. A quorum for the meeting shall be three members of the Investment Committee.
- The chairman of the Investment Committee shall be appointed by the Board. In his absence, members present may elect any member to chair a committee meeting.
- Committee members shall have an obligation to keep all matters discussed by the Committee confidential and cannot release any related information to outsiders without the Committee’s permission.

3. ATTENDANCE AT MEETINGS

- The Investment Committee may, from time to time, invite any Board member or officer or any other person to attend any of its meeting(s) so as to ensure that the Investment Committee to better perform its duties and obligations.
- The quorum of the Committee meeting shall be three (i.e. not less than three members). Each member shall have one vote. Any decision made by the Committee shall require a majority of vote.
- The Company Secretary or his or her delegate or such other person appointed by the chairman shall be the secretary of the Investment Committee.

4. FREQUENCY AND PROCEDURE OF MEETINGS

- Meeting(s) shall be held at least once a year. The Investment Committee may adopt from time to time the procedure governing the convening of committee meetings, the means and procedure for passing of resolutions at committee meetings.

* For identification purpose only

5. AUTHORITY

- The Investment Committee is authorized by the Board to carry out such related matters in accordance with its terms of reference. It is authorized to obtain any information it requires from any employees of the Company and all the employees of the Company are required to co-operate with any request made by the Investment Committee.
- The Investment Committee is authorized by the Board to seek any advice from independent professional; and if think fit, may invite those professional(s) with relevant experience to attend the meeting of Investment Committee.

6. DUTIES

The duties of the Investment Committee include:

- submit reports to the Board on the progress of their work and the report shall at least include:
 - (a) review and analysis of the actual progress of the Company's major strategic plans;
 - (b) analysis and evaluation of the Company's long-term planning and major investment plans;
 - (c) other matters to be reported at the request of the Board.
- to review the investment policies and strategy;
- to review and concur with any major investment project(s), including the disposal project(s) and forming of new joint venture;
- to review and evaluate the professional evaluation systems set up by the Company, including three major components: effectiveness of evaluation organization and professionals, completeness of the evaluation procedures and the appropriateness of the evaluation standard;
- to review of the proposal for development strategy proposed by the Company;
- to review the annual investments proposal of the Company; and
- to review any other related matters which authorized by the Board.

7. OTHER PROCEDURE

- The secretary of the Investment Committee, in consultation with the chairman of the Investment Committee, should be responsible for drawing up the agenda of each of the investment Committee meeting. The secretary of the Investment Committee shall assist the chairman of the Investment Committee and ensure that all members have sufficient information in timely manner to enable effective discussion at the Investment Committee meeting. The chairman briefs all the members of the Investment Committee of the issues arising at each of the Investment Committee meeting.
- The secretary of the Investment Committee shall circulate the draft and final version of the minutes of meetings and reports of the Investment Committee to all members for comment (if any) as and records with seven workings days after each of the meeting. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any member of the Investment Committee including dissenting views of any member.
- The Board should require such Investment Committee to report back to the Board on their decision or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).
- All minutes and/or report(s) of the Investment Committee shall be circulated to all members of the Board.

8. DATE OF ADOPTION

- These terms of reference was approved and adopted by the Board on 16 March 2012. The Board had on 9 May 2013 amended the terms of reference of the Investment Committee.

This document has been translated into Chinese. In case of discrepancies between the English version and the Chinese version, the English version shall prevail.