Luzhou Xinglu Water (Group) Co., Ltd.*

瀘州市興瀘水務(集團)股份有限公司

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

(Stock code: 2281)

Terms of Reference of the Strategy Committee

1 RESPONSIBILITIES

The strategy committee of Luzhou Xinglu Water (Group) Co., Ltd. (the "**Company**") (the "**Committee**") is established pursuant to a resolution passed by the board of directors of the Company (the "**Board**") with the following responsibilities:

1.1 studying and reviewing the strategic development plans of the Company and making recommendations to the Board;

1.2 implementing information exchange and research within the industry, understanding the development and trend of macro economy and securities industry and preparing specific strategic reports;

1.3 conducting preliminary review of the Company's annual operation plans and strategic capital allocation plans and making recommendations to the Board;

1.4 studying major investment financing programs which require to be approved by the Board as stated in the articles of association and making recommendations to the Board;

1.5 studying major capital operation and asset management projects which require to be approved by the Board as stated in the articles of association and making recommendations to the Board;

1.6 evaluating the balanced development of various business lines and making recommendations to the Board;

1.7 reviewing the major constitutional restructuring and organizational structure plans and making recommendations to the Board;

1.8 studying other important matters affecting the Company's development and making recommendations to the Board; and

* *For identification purposes only*

1.9 assuming responsibility for environmental, social, and governance (ESG) management functions and providing recommendations to the Board on the following matters:

1.9.1 conducting research on the Company's ESG-related objectives, plans, management framework and strategies;

1.9.2 supervising the implementation of ESG initiatives;

1.9.3 identifying and assessing ESG-related risks and opportunities of the Company;

1.9.4 reviewing the Company's ESG-related reports; and

1.10 other duties authorized by the Board.

2 MEMBERSHIP

2.1 The Committee shall consist of three directors with a chairman. The members of the Committee shall be nominated and approved by the Board.

2.2 Members of the Committee shall attend meetings of the Committee as scheduled and shall express their viewpoints and exercise their voting right regarding matters discussed at the meetings. Such members shall perform their duties with adequate time and energy commitment and shall develop a good understanding of the Company's operation and management, business activities and development profile in relation to their due diligence to ensure competence for duty performance.

2.3 Members of the Committee may propose topics for discussion at a Committee meeting. To perform their duties, such members may attend relevant meetings of the Company as observers or as non-voting delegates, conduct investigations and researches, and access reports, documents and information required for their work.

2.4 The chairman of the Committee shall lead the Committee's work, including presiding over Committee meetings, proposing the convening of extraordinary meetings, finalizing the agenda of each Committee meeting, and signing off meeting resolutions, etc.

2.5 The chairman of the Committee shall make sure that all members attending a Committee meeting are informed of the matters to be deliberated at the meeting and have access to complete and reliable information, and shall ensure that each proposal discussed by the Committee comes to a clear conclusion, which means adoption, rejection, or reconsideration of the proposal after supplementation of further information.

2.6 The term of office of a member of the Committee shall be consistent with that of such director; a member of the Committee may serve consecutive terms if re-elected upon the expiration of his/her term. If any member ceases to be a director, he/she shall immediately cease to hold the position as a member of the Committee. The vacancy shall be filled up by the Board in accordance to clause 3 as set out above.

2.7 The duties of the administrative work of the Committee shall be assumed by the secretary of the Board and the administrative bodies of the Board and research center of the Company.

3 FREQUENCY AND PROCEEDINGS OF MEETINGS

3.1 The Committee meetings shall be held at least annually and convened by the chairman of the Committee as necessary. If the chairman cannot attend the meeting in person, he (she) may entrust another member to convene and chair the meeting.

3.2 Notice of Meeting

3.2.1 The notice of a Committee meeting shall be delivered 14 days prior to the meeting. Such requirement on the notice timeline, however, may be exempted upon unanimous consent of all the Committee members.

3.2.2 Particulars of the meeting notice shall include the following: time, venue and form of the meeting; agenda and matters to be considered at the meeting and other relevant details; and the date of delivering the notice.

3.2.3 The meeting notice shall be served by courier, facsimile, registered mail, email or other ways specified in the Company's articles of association.

3.3 At least 2/3 or more of the members shall attend the meeting to form the quorum; each member has one vote; resolution shall be passed by more than half of the votes, and opinions of disagreed member shall be attached to the resolution. Members of the Committee must clearly express their affirmative or dissenting opinions, and abstention is not allowed.

3.4 Resolutions of the Committee shall be taken by a show of hands or by poll. Extraordinary meetings may be convened by way of correspondence.

3.5 When the Committee is to convene a meeting, it may invite non-member directors, supervisors, senior management personnel, and heads of relevant departments to attend the meetings as necessary.

3.6 The procedures for convening Committee meetings, the voting methods, and the resolutions adopted at meetings must comply with relevant laws and regulations, the Listing Rules, Company's articles of association and these terms of reference.

3.7 Members attending the meetings shall be bound by confidentiality obligations regarding the matters discussed and shall not disclose any related information to external parties without authorization.

4 ALTERNATE COMMITTEE MEMBERS

Notwithstanding the matters as set out in clause 3.1 above, a Committee member may not appoint any alternate.

5 AUTHORITIES OF THE COMMITTEE

5.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 1.1 above.

5.2 The Committee shall be provided with sufficient resources to perform all of its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

5.3 The secretary and the administrative bodies of the Board and research center of the Company shall provide the following materials to the Committee:

5.3.1 basic information and relevant materials related to Company's major decision-making (including but not limited to intentions of and preliminary feasibility reports for major investment and financing, major capital operation, and major assets management projects, basic information of counterparty(ies), etc.;

5.3.2 basic information and relevant materials related to Company's annual operation plans and strategic capital allocation plans;

5.3.3 basic information and relevant materials related to the development of the business lines of the Company;

5.3.4 basic information and relevant materials related to the major constitutional restructuring and organizational structure plans of the Company;

5.3.5 if necessary, advisory opinions given by any intermediaries or relevant experts for the above matters;

5.3.6 relevant external agreements, contracts, articles of association and other legal documents; and

5.3.7 other materials necessary for the Committee to perform its duties.

6 MINUTES OF MEETINGS

The meeting of the Committee shall keep minutes and members present at the meeting shall sign on the minutes; the minutes of the meeting shall be kept at office of the Board of the Company.

7 WRITTEN RESOLUTIONS

Resolutions passed and voting results of the meeting of the Committee shall be submitted in writing to the Board of the Company.

8 REPORTING PROCEDURES

The Committee should report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

9 CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The articles of association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10 POWERS OF THE BOARD

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 (Corporate Governance Code and Corporate Governance Report) to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee, provided that such amendments, supplements, and revocation shall not affect the validity of any resolution passed or action taken by the Committee prior to such action.

11 LANGUAGE

If there is any inconsistency between the English and Chinese versions of these terms of reference, the Chinese version shall prevail.