

COSCO Pacific Limited
Terms of Reference of the Investment and Strategic Planning Committee

Establishment

During a meeting of the board of directors (“the Board”) of COSCO Pacific Limited (“the Company”) held on March 26, 2003, an Investment and Strategic Planning Committee (“the Committee”) was approved to be established under the Board.

Objectives

To study the Company’s long-term development strategies and major investment decisions and to provide recommendations thereon. Under the supervision of the Board, the Committee shall be accountable to and make reports to the Board.

Membership

1. The Committee shall consist of not less than ten members who shall be nominated by the Managing Director of the Company and elected by the Board. The Committee generally comprises:
 - (a) the Managing Director and two other directors;
 - (b) the Company’s Deputy Managing Director, Financial Controller, General Manager of the Corporate Development Department (renamed as Strategy and Development Department), General Manager of the Finance Department and Manager of the Internal Audit Department;
 - (c) the Deputy General Manager and Financial Controller of Florens.
2. The Chairman of the Committee shall be appointed by the Board from amongst the executive directors.
3. The Secretary of the Committee shall be appointed by the Committee from amongst the members, who is responsible for taking minutes at the meetings, circulating the minutes to the members present at the meeting for signature, keeping the minutes thereof for records and copying the minutes to the Company Secretary. The Secretary is also responsible for despatching notice of meeting to all Committee members within the required time limit.
4. 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.

Meetings

1. The quorum of the Committee meeting shall be six (i.e. not less than six members). Each member shall have one vote. Any decision made by the Committee shall require a majority of vote.
2. Regular meetings shall be held at least four times a year. Meetings may also be convened by not less than half of the Committee members as and when required.
3. Seven days’ notice shall be given to all members before a meeting (except for special circumstances). Agenda of Committee meeting and accompanying meeting papers should be sent by the Secretary of the Committee to all committee members at least 3 days before the intended date of the meeting (except for special circumstances).

4. All meetings shall be chaired by the Chairman of the Committee. In the event of his absence, he may assign another member to hold the meeting on his behalf.
5. Directors and senior management may be invited to attend the meeting, if necessary.
6. Apart from holding working group meetings, the Committee will also hold meetings on special topics, details as follows:-
 - (a) Working group meetings will be convened on an ad hoc basis according to the requirements of the jobs. Matters to be conducted at the meetings include delivering the decisions, directions and planning of the Board, discussing the arrangement of the important duties of the Committee and studying the Company's significant strategic matters which are under development.
 - (b) Special topic meetings comprise both the Committee member(s) who is (are) designated by the Committee to be responsible for the special topic and members of the special topics. Committee member(s) who is(are) assigned to be responsible for that topic shall appoint members of the special topic to convene a meeting, to study and coordinate the issues related to the special topic as well as to evaluate the results thereof.
7. Strategy and Development Department shall be responsible for the preparatory work of the decision making process of the Committee and provide the Company with relevant materials:
 - (a) the person-in-charge shall submit information concerning the proposals on major investment, capital deployment and operation of assets etc.;
 - (b) Strategy and Development Department shall carry out the initial review of the project proposal and issue a letter of opinion on project set-up and report it to the Committee;
 - (c) Strategy and Development Department shall carry out the review and issue letter of opinion and submit a formal proposal to the Committee.
8. The Committee shall convene meeting and discuss the matters tabled by Strategy and Development Department and other committee member(s) and report the conclusion to the Board and give feedback to Strategy and Development Department.
9. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised or dissenting views expressed by members. Draft and final versions of minutes of Committee meetings shall be sent by the Secretary of the Committee to all committee members for comments and records respectively, in both cases within a reasonable time after the Committee meeting is held.

Authority

The Committee may investigate any activities within the scope of its terms of reference and obtain any information required from relevant parties to facilitate it to understand the situation.

Duties

1. The principal duties of the Committee are:
 - (a) to study the Company's long-term development strategic planning and to provide opinions thereon;
 - (b) to study the Company's major investment projects and to provide opinions thereon;

- (c) to study the Company's proposals on major projects involving capital deployment, operation of assets and to provide opinions thereon;
 - (d) to study other matters which would significantly affect the Company's development and to provide opinions thereon;
 - (e) to conduct post-investment evaluation of investment projects;
 - (f) to review on the implementation and progress of matters referred to above;
 - (g) other matters authorized by the Board.
2. The Committee shall 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.
3. The Committee Chairman shall fulfill the following duties:
 - (a) to convene and chair the Committee meeting;
 - (b) to review and sign the report of the Committee;
 - (c) to report the work progress to the Board on behalf of the Committee;
 - (d) other duties which shall be performed by the Chairman;
 - (e) in the absence of the Chairman of the Committee, his duties shall be carried out by another Committee member designated by him.
4. Duties of the Committee members are:
 - (a) to perform their duties in good faith in accordance with the laws and regulations as well as the Bye-laws of the Company and in the interest of the Company;
 - (b) to avoid disclosure of the confidential matters of the Company, except that such disclosure is required by the laws or with the approval of the shareholders in shareholders' meeting of the Company or the Board;
 - (c) to assure the Board that the reports submitted are fully complied with the requirements of the laws and regulations as well as the Bye-laws of the Company and the content of which is accurate.

Reporting Procedures

1. Minutes of the meetings of the Committee shall be circulated to all Committee members for review and signature.
2. The Secretary of the Committee is responsible for taking minutes at the meetings, keeping the minutes thereof and copying the minutes to the Company Secretary.
3. The Committee reports directly to the Board on its decisions or recommendations by way of minutes (in written form) after the Committee meeting has been held.

Date of Adoption

These terms of reference was approved and adopted by the Board on March 26, 2003 and amended by the Board on January 1, 2005 and February 25, 2009.

In the event of any inconsistency, the English language text of these terms of reference shall prevail over the Chinese language text.