

CHINA EVERBRIGHT WATER LIMITED

Company Registration Number 34074

(Incorporated in Bermuda)

MANAGEMENT COMMITTEE TERMS OF REFERENCE

1. PURPOSE

In order to improve the day-to-day management and operation of China Everbright Water Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), a Management Committee shall be established under the supervision and leadership of the chief executive officer of the Company (the “**CEO**”). These Terms of Reference are adopted to specify and define the duties, responsibilities and scope of powers and authorities vested or to be vested in the Management Committee. **Notwithstanding any provisions in these Terms of Reference, nothing herein shall prejudice the powers of the board of directors of the Company (the “Board”, each individual director is herein referred to as the “Director”) to manage the affairs of the Company or to revoke, vary or amend any provisions adopted herein.**

2. MANAGEMENT COMMITTEE

- 2.1 The CEO shall be the chairman of the Management Committee. Members of the Management Committee shall include executive directors (who involve in the day-to-day operation of the Company), chief financial officer of the Company, vice president of the Company, CEO assistant of the Company, as nominated by the CEO and approved by the Board, as well as any other appropriate persons as nominated by the CEO and approved by the Management Committee. The secretary of the Management Committee shall be appointed by the CEO.
- 2.2 The CEO or any two of the members of the Management Committee can convene a meeting of the Management Committee.
- 2.3 The quorum of meetings of the Management Committee shall be five or more members of the Management Committee present in person or by telephone conference or by some other means as the Management Committee thinks fit. Resolution(s) shall be passed by simple majority of the members giving their consents.
- 2.4 The CEO shall have the power to formulate rules and procedures for the meetings of Management Committee.
- 2.5 The Management Committee assists the Board in handling the business and affairs of the Group, including day-to-day administration, operation and management. Its power and responsibilities include:
 - (i) to supervise and monitor the day-to-day operation of each of subsidiaries within the Group;
 - (ii) to be responsible for effective implementation of business plans and other goals, policies and guidelines determined and approved by the Board and coordinate and resolve the differences between the subsidiaries within the Group;
 - (iii) to establish policies, rules, regulations, guidelines and procedures regulating and governing the conduct of business activities within the Group and formalizing the same into orders, memoranda, operation and procedure manuals etc;

- (iv) to compile and finalize financial budgets of the Group for approval by the Board and monitor compliance/variance on a continuing basis;
- (v) to compile and finalize report on work done of each particular year and work plan for the following year of the Group for approval by the Board and monitor compliance/variance on a continuing basis;
- (vi) to ensure that the business of the Group are conducted in a proper and efficient manner and in compliance with all legal and regulatory requirements;
- (vii) to consider and approve the investment activities/projects of the Group within the limit as set by the Board pursuant to the power delegated from the Board to the management of the Company;
- (viii) to report to the Board all major decisions, personnel changes and other activities which may affect the business or affairs of the Group;
- (ix) to review and determine the department structure and the staff headcount for the headquarter and each subsidiary of the Company;
- (x) to review and determine the policies on remuneration and fringe benefits for the headquarter and each subsidiary of the Company (except the remuneration of those Directors and key management personnel who are required to be determined by the Remuneration Committee of the Company and/or the Board pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HK Listing Rules**”) and the listing manual of the Singapore Exchange Securities Trading Limited (the “**Singapore Listing Manual**”));
- (xi) to review and determine the changes in personnel including the members of the Management Committee, department heads of the Company and senior managers of each subsidiary of the Company etc (except those Directors and key management personnel who are required to be determined by the Nomination Committee and/or the Board pursuant to the HK Listing Rules and Singapore Listing Manual);
- (xii) to review and determine the annual performance appraisal for members of the Management Committee, department heads of the Company and senior managers of each subsidiary of the Company;
- (xiii) to review and determine any other major human resources matters; and
- (xiv) to review and determine any other matters to be submitted to the Board for discussion and approval.

2.6 The Management Committee shall have no power to approve any transaction or matter (including but not limited to notifiable transactions, connected transactions, continuing connected transactions and transactions or matters involving publication of announcements of the Company etc) which is required to be approved by the Board and/or the shareholders of the Company under applicable rules and regulations, the Company’s bye-laws, the HK Listing Rules and the Singapore Listing Manual.

- 2.7 The Management Committee shall delegate all or partial powers to any sub-committee(s) or any person(s) or cancel such delegation which it may think fit.
- 2.8 The Management Committee shall meet on a regular basis and as often as the business and affairs of the Company require.
- 2.9 The chairman of the Management Committee shall report, from time to time, on the proceedings of the Management Committee to the Board or by such other mode as the chairman of the Management Committee shall in his/her discretion deems fit.
- 2.10 The Management Committee shall, after each meeting, report to the Board on its findings and recommendations.