

The Rules of Procedures of the Nomination Committee of the Board of Directors

(As amended at the 4th meeting of the 9th session of the Board of Directors and effective from 1 January 2019)

Chapter 1 General Provisions

- Article 1 To standardize the selection of leaders of the Company, optimize the composition of the Board of Directors and perfect the structure of corporate governance, the Board of Directors of the Company has set up the Nomination Committee and formulated these rules of procedures in compliance with the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, the Listing Rules, the Articles of Association ("Articles of Association") and other applicable regulations.
- Article 2 The Nomination Committee is a special working unit set up by the Board of Directors in accordance with the resolutions of the general meeting of shareholders, mainly responsible for conducting research and review on the candidates for directors and managers, the selection standards and procedures, and making relevant recommendations.

Chapter 2 Composition

- Article 3 The Nomination Committee shall be composed of five directors, the majority of whom shall be independent non-executive directors.
- Article 4 Members of the Nomination Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive directors or over one third of all the directors, and elected by the Board of Directors.
- Article 5 The Nomination Committee shall have a chairman, who shall be an independent non-executive director and responsible for taking charge of the operation of the committee.
- Article 6 The term of office of the Nomination Committee shall be consistent with that of directors, and its members shall be eligible for re-election and re-appointment upon expiry of the term. If any committee member no longer holds the position of director during his term of office, he shall be disqualified for being a committee member accordingly. The Board of Directors shall fill the vacancy according to Article 3 to Article 5 above.

Chapter 3 Obligations and Duties

Article 7 The main obligations and duties of the Nomination Committee include:

- (1) To advise the Board of Director on its size and composition in light of the business activities, asset scale and shareholding structure of the Company;
- (2) To review the criteria and procedures for the selection of directors and manager and provide recommendations to the Board accordingly;
- (3) To review the structure, number of directors, composition and diversity (including but not limited to gender, ages, cultural and education backgrounds, occupations, experience, skills, knowledge and length of service) of the Board of Directors at least once a year, and advise on the proposed changes made by the Board of Directors in line with the corporate strategies of the Company;
- (4) To supervise the implementation of Board Diversity Policy, review such policy at least once a year to ensure its effectiveness, and advise the Board of Directors on any proposed revision of the policy;
- (5) To identify suitable candidates for directors and managers;
- (6) To assess candidates for directors and managers and provide recommendation to the Board of Directors accordingly;
- (7) To assess other senior management members to be appointed by the Board of Directors and provide recommendations accordingly;
- (8) To assess the independence of the independent non-executive directors;
- (9) To advise the Board of Directors on the appointment or re-appointment of directors, and succession plans for directors (especially the Chairman and Chief Executive Officer); and
- (10) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
 - the process used for identifying the candidate and why the Board believes the candidate should be elected and the reason why it considers the candidate to be independent;
 - if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, the reason the board believes the candidate would still be able to devote sufficient time to the Board;

- the perspectives, skills and experience that the candidate can bring to the Board; and
- how the candidate can contribute to the diversity of the Board.

(11) to review annually the time commitment required of directors and to evaluate whether directors have committed adequate time to discharge their responsibilities.

(12) to review and implement, as appropriate, the nomination policy setting out the criteria and procedures for the selection and nomination of candidates for appointment or re-appointment as directors.

(13) to handle other matters authorized by the Board of Directors.

Article 8 The Nomination Committee shall report to the Board of Directors, and its proposals shall be submitted to the Board of Directors for approval.

Chapter 4 Decision-making Procedures

Article 9 According to the relevant laws and regulations and the Articles of Association, the Nomination Committee shall review the qualifications, selection procedures and terms of office of directors and managers based on the actual situation of the Company. Any resolution formulated in this regard shall be filed and submitted to the Board of Directors for approval, and shall be implemented accordingly.

Article 10 The selection procedures of directors and managers include:

- (1) To communicate with the related departments of the Company in order to understand the requirements for new directors and managers and prepare written materials;
- (2) To search for suitable candidates for directors and managers internally, within the subsidiaries (associates) of the Company and in the labour market;
- (3) To collect information of the candidates in relation to their occupations, education backgrounds, positions, detailed working experience and part-time positions, and prepare written materials;
- (4) To seek consent from the nominees for the nomination before they are proposed as the candidates for directors and managers;
- (5) To hold meetings of the Nomination Committee to examine the qualifications of the candidates according to the requirements for directors and managers;

- (6) To propose the candidates for directors and new managers and submit relevant information to the Board of Directors one or two months before the election of new directors and managers;
- (7) To undertake other follow-up work pursuant to the resolutions of and feedback from the Board of Directors.

Article 11 Before proposing the candidates for directors to the general meeting of shareholders in compliance with the relevant laws and regulations, the Articles of Association and other applicable rules, the shareholders and Supervisory Committee of the Company shall submit the materials of the candidates to the Nomination Committee. The Nomination Committee shall examine the qualification of the candidates and put forward proposals to the general meeting of shareholders pursuant to these rules.

Chapter 5 Rules of Meetings

- Article 12 The Nomination Committee may convene meeting as and when necessary, and notice of meeting shall be given to all committee members five days before the meeting. The meeting shall be chaired by the chairman of the committee, or in case of his absence, another member, being a non-executive director, appointed by chairman.
- Article 13 The quorum of the Nomination Committee meeting shall be more than half of the committee members. Each committee member shall have one vote. Resolutions of the meeting shall be adopted by affirmative votes of more than half of the committee members.
- Article 14 Resolutions of the Nomination Committee meeting shall be voted by a poll. Meetings shall be held in the form of physical meeting or electronic means of communications.
- Article 15 The Nomination Committee may invite the directors, supervisors, other senior management and relevant staff to attend its meetings as and when necessary.
- Article 16 The Nomination Committee may engage an intermediary firm to provide professional opinion for the purpose of its decision making as and when necessary at the costs of the Company.
- Article 17 The convening procedure, form of voting and resolutions of the Nomination Committee meeting must be in compliance with the relevant laws and regulations, the Articles of Association and these rules.

Article 18 The Nomination Committee shall keep minutes of its meetings, which shall be signed by the attending members. The minutes of the committee meeting shall be kept by the secretary to the Board of Directors.

Article 19 The resolutions adopted by the Nomination Committee meeting and the voting results shall be reported to the Board of Directors of the Company in written form.

Article 20 All committee members attending the meeting shall be obliged to keep all matters discussed at the meeting confidential, and shall not disclose any relevant information without authorization. Otherwise, they shall assume legal liabilities.

Chapter 6 Supplementary Provisions

Article 21 These rules shall be effective and come into force upon the approval of the Board of Directors of the Company.

Article 22 For matters not covered in these rules, they shall be carried out in accordance with the relevant laws and regulations of the PRC and the Articles of Association. If these rules are in conflict with the laws and regulations issued by the PRC government in the future or the Articles of Association revised according to legal procedures, such laws and regulations of the PRC and the Articles of Association shall prevail, and these rules shall be immediately revised and submitted to the Board of Directors of the Company for approval.

Article 23 The interpretation of these rules shall be vested to the Board of Directors of the Company.

(The English version of this document is for reference only. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.)