Implementation Rules and Regulations of Nomination Committee

(The original Rules and Regulations were approved at the 12th meeting of the 4th session of the Board of Directors on 6 February 2004)
(Amended and approved by the Company at the 6th meeting of the 7th session of the Board of Directors on 29 March 2012)

CHAPTER 1 GENERAL PROVISIONS

Article 1  In order to regulate the selection of the senior management members of the Company, improve the constitution of the members of the board of directors and improve the corporate governance structure, the Nomination Committee of the board is established and these Implementation Rules and Regulations were formulated by the Company in accordance with the Company Law of the People's Republic of China, the Guidelines for the Governance of Listed Companies, the respective applicable rules of the stock exchanges on which the shares of the Company are listed ("Listing Rules"), the Articles of Association of the Company and other relevant regulations.

Article 2  The Nomination Committee of the board is a body specially constituted under the board pursuant to the resolution of the general meeting. It is mainly responsible for selecting and giving advice on the candidates for the directors and manager of the Company, the selection criteria and the selection procedure.

CHAPTER 2 MEMBERSHIP

Article 3  The Nomination Committee shall be composed of three directors, two of whom shall be independent non-executive directors.

Article 4  The members of the Nomination Committee shall be nominated by the chairman of the board or more than half of the independent non-executive directors or one-third of all directors and be elected by the board.

Article 5  The Committee shall have a chairman who must be an independent non-executive director and shall take charge of the Committee’s work. The chairman shall be elected by the Committee from its members who are independent
non-executive directors and shall become effective after the result is reported to, and approved by, the board.

**Article 6** The term of office of a Committee member shall be consistent with his term as director. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to be a director of the Company during the term, his membership shall be terminated automatically and the replacement shall be appointed by the board in accordance with Articles 3 to 5 above.

**CHAPTER 3 POWERS AND DUTIES**

**Article 7** The principal powers and duties of the Nomination Committee shall include:

1. Based on the Company's operation, asset size and equity structure, review the structure, scale, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations to the board on any proposed changes to the board to complement the Company’s corporate strategy;

2. Study and make recommendations to the board regarding the selection criteria and the selection procedure for directors and manager;

3. Conduct extensive search and identify suitably qualified candidates to become board members or manager and select or make recommendations to the board on the selection of individuals nominated for directorships or the positions of manager;

4. Make recommendations to the board on the appointment or re-appointment of directors, and succession planning for director, in particular the chairman of the board and manager;

5. Inquire into and recommend the candidates for directors and manager to the board;

6. Inquire into and make recommendations for other senior management members which must be appointed by the board;

7. Assess the independence of independent non-executive directors;

8. Other matters as prescribed by applicable laws, regulations, Listing Rules and the matters authorized by the board.
Article 8  The Nomination Committee shall be accountable to the board. The proposals of the committee shall be submitted to the board for consideration and decision.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 9  The Committee shall determine the election criteria, selection procedure and term of office of the directors or manager pursuant to relevant laws and regulations and the Articles of Association taking into account the actual situations of the Company. After the resolution is made, it shall be filed for record and reported to the board for approval and implementation.

Article 10  The selection procedure of directors and manager:

(1) the Committee shall exchange opinions with the relevant divisions of the Company proactively to consider the Company’s needs for new directors and manager and produce relevant written materials;

(2) the Committee may conduct an extensive search for the candidates of directors and manager within the Company and its holding companies (or companies in which the Company has shareholdings) as well as from the pool of talents available in the market;

(3) to obtain the information regarding the occupation, educational background, job title, detailed working experience and all the part-time jobs of the proposed candidates and produce relevant written materials;

(4) to seek the opinion of the nominees. If the nominees refused to be nominated, he or she shall not be candidates for directors and manager;

(5) to hold the meetings of the Nomination Committee for the purposes of considering the qualifications of the proposed candidates based on the job qualifications required for directors and manager;

(6) to submit proposals on the candidates for directors and manager with relevant materials to the board one to two months prior to the election of new directors and the appointment of new manager;

(7) to conduct other follow-up according to the decision and feedback of the board.

CHAPTER 5 RULES OF PROCEEDINGS

Article 11  The Nomination Committee shall hold meetings at least once every year. Members of the Committee shall be notified seven (7) days prior to any meeting. The
meetings of the Committee shall be chaired by the chairman of the Committee. If the chairman is unable to attend the meeting, he or she may appoint another member who is an independent non-executive director to chair the meeting.

**Article 12** The meetings of the Nomination Committee shall be held only with the presence of two members or above. Each member shall be entitled to one vote. The resolutions made at the meetings must be approved by two members or above.

**Article 13** At the meetings of the Committee, voting shall be made by a show of hands or by casting of vote. Meetings may take the form of telephone conference or be conducted through other similar communication devices and as long as the members participated can hear each other clearly and exchange their views, all the members participated shall be deemed to have attended such meetings in person.

**Article 14** Directors, supervisors and other senior management members of the Company may be invited to attend meetings as observers if necessary.

**Article 15** The Company shall provide the Committee with sufficient resources to perform its duties. If necessary, the Nomination Committee may appoint intermediaries to provide independent professional advice for its decision-making at the costs and expenses of the Company.

**Article 16** The convening procedure and voting method of the meetings of the Nomination Committee and the resolutions passed at such meetings shall comply with the relevant laws, regulations, the Listing Rules, the Articles of Association of the Company and these Implementation Rules and Regulations.

**Article 17** The meetings of the Nomination Committee shall have minutes on which members of the Committee attending the meetings shall sign. Draft and final versions of minutes of the Nomination Committee meetings should be sent to all committee members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting. The minutes of the meetings shall be kept by the secretary to the board.

**Article 18** Resolutions passed by and voting results of the meetings of the Committee shall be reported to the board in writing.

**Article 19** Members present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose the relevant information without authorization.
CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 20 These Implementation Rules and Regulations shall come into effect and be implemented on the date designated by board resolution ("Rules Effective Date").

Article 21 Any matters not covered by these Implementation Rules and Regulations shall be implemented in accordance with the provisions of the relevant laws and regulations of the PRC, the Listing Rules and the Articles of Association of the Company. Should these Rules and Regulations conflict with the laws and regulations of the State coming into effect after the Rules Effective Date or the Listing Rules or the Articles of Association amended after the Rules Effective Date through lawful procedures and implemented subsequently, the State laws and regulations, the Listing Rules and the Articles of Association of the Company as amended shall prevail, and these Rules and Regulations shall be revised immediately and the revision shall be reported to the board for consideration and approval.

Article 22 The power to interpret these Rules and Regulations rests with the board.

Note: The English version is for reference only. Should there be any inconsistency or discrepancy between the English and the Chinese versions, the latter shall prevail.