齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 1576)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL

Article 1 In order to further establish comprehensive selection criteria and procedures of directors and senior management of Qilu Expressway Company Limited (the "**Company**") and improve the corporate governance of the Company, the Company has established the nomination committee of the board (the "**Board**") of directors of the Company and formulated these terms of reference in accordance with local and overseas regulations for listed companies, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") and the Articles of Association of Qilu Expressway Company Limited (the "**Articles of Association**").

Article 2 The nomination committee is a specialised working organisation established by the Board pursuant to the Articles of Association. The main duties of the committee are to examine the selection procedures, criteria and qualification of directors and senior management of the Company and make recommendations to the Board.

CHAPTER 2 COMPOSITION

Article 3 The nomination committee shall comprise four directors, the majority of whom shall be independent non-executive directors.

Article 4 The members and chairman of the nomination committee shall be nominated by the chairman of the Board, not less than half of the independent non-executive directors or not less than one-third of all directors for election by the Board.

Article 5 The nomination committee shall have a chairman who shall be the chairman of the Board or an independent non-executive director and shall be in charge of the work of the nomination committee.

Article 6 The term of office of the members of the nomination committee shall be the same as that of the directors. A member of the committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company or any member who shall be an independent non-executive director ceases to have the independence as set out in the Hong Kong Listing Rules and the Articles of Association during his/her term of office, he/she shall automatically be disqualified as a member of the committee. The vacancy shall be filled up by the Board in accordance with the Article 3 to Article 5 above.

Article 7 The nomination committee shall have a working team to deal with daily matters, liaison and organisation of committee meetings.

CHAPTER 3 DUTIES

Article 8 The duties of the nomination committee are as follows:

(1) to examine the selection standard and procedure, structure, number of members and composition of directors and senior management (including skills, knowledge and experience) on an annual basis, assist the Board in maintaining a board skills matrix, and make recommendations on any changes for directors and senior management in relation to the strategic development of the Company;

(2) to seek for qualified candidates of directors and senior management and nominate such candidates as directors or making recommendations to the Board;

(3) to make recommendations on appointment or reappointment and succession plan of directors and senior management to the Board;

(4) to review the independency of independent non-executive directors;

(5) to support the Company's regular evaluation of the Board's performance; and

(6) any other matters as authorised by the Board.

Article 9 The nomination committee shall be accountable to the Board and proposals of the nomination committee shall be submitted to the Board for approval.

The nomination committee shall provide the Board with its discussion, material and information in the form of reports, proposals and conclusions and others for the Board's study and consideration.

CHAPTER 4 WORKING PROCEDURES

Article 10 The nomination committee shall formulate selection criteria, procedures, candidate qualifications and term of office of directors and senior management of the Company based on the relevant laws and regulations and the Articles of Association as well as the actual conditions of the Company, the resolutions of which shall be approved by the Board for implementation.

Article 11 The selection process of directors and senior management is as follows:

(1) the nomination committee shall actively communicate with relevant departments of the Company and study the demand for directors and senior management and present such information in writing;

(2) the nomination committee may extensively seek for candidates for directors, presidents and senior management from the Company, its holding (associate) enterprises and the human resources market;

(3) the nomination committee shall gather information as to the occupation, academic qualifications, title of the post, detailed work experience and all the concurrent posts of the candidates and present such information in writing;

(4) the nominee shall not be deemed as the candidate for director or senior management unless his/her consent for nomination is obtained;

(5) the nomination committee shall convene a nomination committee meeting to review the qualifications of the candidates in accordance with the requirements for directors and senior management;

(6) the nomination committee shall make suggestion to the Board regarding the candidates for the director and senior management position and submit relevant information to the Board one to two months prior to the election of new directors and appointment of new senior management; and

(7) the nomination committee shall carry out other follow-up work according to the decision of and feedback from the Board.

CHAPTER 5 RULES OF PROCEDURES

Article 12 The nomination committee shall convene meetings from time to time. All members shall be given not less than 7 days' prior notice before the convening of the meeting and the agenda and other meeting documents shall be sent to all members at least three days prior to the meeting (or within any other period agreed upon). In case of special circumstances, a notice of less than 7 days may be served to the extent that more than two-thirds of the nomination committee raises no disagreement. The meeting shall be convened and chaired by the chairman of the committee. In the event that the chairman of the committee fails to attend the meeting, he or she may appoint another committee member (who shall be an independent non-executive director) to convene and chair the meeting in which matters to be determined by the committee shall be discussed and resolved.

Article 13 The quorum of a meeting of the nomination committee shall be not less than two – thirds of the members (including members being appointed in writing as proxy of other members to attend the meeting). Each member shall have one vote. A resolution of the meeting shall be passed by more than half of all the committee members.

Article 14 Voting at the meeting of the nomination committee shall be taken by a show of hands or by poll. An extraordinary meeting may be convened in the form of vote by correspondence.

Article 15 The nomination committee may invite other directors, supervisors and senior management of the Company to sit in its meetings when necessary.

Article 16 The nomination committee may retain an intermediary institution to provide professional advice on its decision when necessary. Any reasonable costs so incurred shall be borne by the Company.

Article 17 The procedures of a meeting convening, the method of voting and the resolutions passed at the meeting of the nomination committee shall comply with the requirements of relevant laws, regulations, the Articles of Association and these terms of reference.

Article 18 The nomination committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings that shall be kept by the secretary of the Company.

Article 19 The resolutions passed and voting results of a meeting of the nomination committee shall be submitted to the Board in written form.

Article 20 All members of the committee present at the meeting shall keep confidential all matters discussed at the meeting and shall not disclose the relevant information without approval.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 21 These terms of reference shall become effective after being approved by the Board.

Article 22 For any matters not covered by these terms of reference, the relevant laws and regulations of the People's Republic of China and the Articles of Association shall apply. In the event that these terms of reference contravene any future laws and regulations or the Articles of Association as amended under legal procedures, the relevant laws and regulations of the People's Republic of China and the Articles of Association shall prevail. In such event, these terms of reference shall be amended immediately and submitted to the Board for approval.

Article 23 Such terms as "no less than" as mentioned herein shall include in the amount the figures listed; such terms as "more than" shall not include the figures listed.

Article 24 These terms of reference shall be formulated, amended and interpreted by the Board.

Note: In case of any inconsistency between the English and Chinese version of these terms of reference, the Chinese version shall prevail.