Taizhou Water Group Co., Ltd.*
台州市水務集團股份有限公司

(the "Company")

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

(Stock Code: 1542)

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

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to govern the appointment of directors and senior management of the Company, optimize composition of its board of directors (the "**Board of Directors**") and improve corporate governance structure, the nomination committee of the Board of Directors (the "**Nomination Committee**" or the "**Committee**") has been established mainly responsible for formulating the selection criteria and procedures for directors and senior management, screening candidates, preliminarily examining the eligibility of directors and senior management members, and making recommendations to the Board of Directors.

Article 2 To ensure the Nomination Committee to operate in a standard and efficient manner, these terms of reference for the Nomination Committee (the "**Terms**") are formulated by the Board of Directors in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Articles of Association of Taizhou Water Group Co., Ltd. (the "**Articles of Association**") and other relevant laws, regulations and regulatory documents.

Upon listed on the Main Board of The Stock Exchange of Hong Kong Limited and issuance of overseas listed foreign shares (H Shares), these Terms shall also be subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as amended from time to time and other applicable laws and regulations of the Hong Kong Special Administrative Region of the People's Republic of China. In case of any inconsistency or conflict between any applicable laws, regulations, the Articles of Association, the Listing Rules and these Terms, the strictest provisions shall prevail according to the principle of strictness.

Article 3 Resolutions adopted by the Nomination Committee shall be in compliance with requirements of the Articles of Association, these Terms and other relevant laws, regulations and regulatory documents.

CHAPTER 2 COMMITTEE COMPOSITION

Article 4 The Nomination Committee shall consist of at least three directors, including a majority of independent non-executive directors, and at least one director shall be of a different gender.

Article 5 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 one-third or more of all directors, and shall be elected by the Board of Directors.

The Nomination Committee shall have one chairman who shall be an independent non-executive director appointed by the Board of Directors or shall be the Chairman of the Board of Directors.

The meeting of the Nomination Committee shall be convened and presided over by the chairman, or another member designated to act on his/her behalf if the chairman is unable or fails to perform his/her duties. If the chairman neither performs his/her duties nor designates another member to act on his/her behalf, any member of the Committee may report to the Board of Directors which shall designate a member to perform the duties of the chairman.

Article 6 Members of the Nomination Committee shall have a term of office in congruence with that of the same session of the Board of Directors, and may be re-elected and reappointed. A member shall not be dismissed without reason prior to expiry of his/her term of office, unless there arises any circumstance precluding his/her office as stipulated in the Company Law, the Articles of Association or these Terms, or he/she as an independent non-executive director ceases to have the independence required by the Articles of Association and the Listing Rules. A member no longer serving as a director of the Company during his/her term of office shall be automatically disqualified as a member of the Committee.

Article 7 Where the number of members of the Nomination Committee falls below two-thirds of the required headcount due to resignation, dismissal or other reasons, the Board of Directors shall promptly appoint new member(s) in accordance with the above provisions.

The Nomination Committee shall suspend the exercise of its functions and powers as provided herein until the number of members of the Nomination Committee reaches two-thirds of the required headcount.

Article 8 The provisions on obligations of directors as stipulated in the Company Law and the Articles of Association apply to members of the Nomination Committee.

CHAPTER 3 DUTIES AND AUTHORIZATIONS

Article 9 The Nomination Committee is mainly responsible for formulating the selection criteria and procedures for directors and senior management, screening candidates, preliminarily examining the qualification of directors and senior management members, and making recommendations to the Board of Directors.

Article 10 Main duties and functions of the Nomination Committee include:

(1) to review the structure, size and diversity (including the skills, gender, knowledge and experience) of members of the Board of Directors at least annually, to assist the Board of Directors in maintaining a board skills matrix, and to make recommendations on any proposed changes to the Board of Directors to complement the Company's corporate strategy;

(2) to report to the Board of Directors on the composition of board members and monitor the implementation of diversity policy for board members;

(3) to disclose a summary of the diversity policy for members of the Board of Directors, and measurable objectives that it has set for implementing the policy and the progress of achieving the objectives in the Corporate Governance Report annually;

(4) to identify individuals suitably qualified to become directors, general manager and other senior management members, and select or make recommendations to the Board of Directors on the selection of individuals; and determine the composition of board members based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

(5) to assess the independence of independent non-executive directors based on the Rule 3.13 of the Listing Rules and Appendix C1 of the Listing Rules;

(6) to make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors (in particular the Chairman of the Board of Directors and the general manager), taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future;

(7) to report its decisions or recommendations to the Board of Directors, except those that cannot be reported due to legal or regulatory restrictions;

(8) to review and assess regularly the time commitment and contribution to the Board of Directors by each Director as well as the Director's ability to discharge his or her responsibilities effectively;

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

(10) other matters delegated by the Board of Directors.

Article 11 The Nomination Committee shall report and submit proposals to the Board of Directors for consideration and approval.

Article 12 At the invitation of the Chairman of the Board of Directors, the Nomination Committee shall designate its chairman or, in his/her absence, another member or his/her authorized representative to attend and respond to inquiries at the annual general meeting.

Article 13 The Nomination Committee should be provided with sufficient resources to discharge its duties, including but not limited to, if necessary, the Nomination Committee may engage intermediaries to provide professional advice for its decisions at the cost of the Company.

Article 14 Where the Board of Directors proposes a resolution to elect an individual as an independent non-executive director of the Company at the Company's general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Board of Directors believes he/she should be elected and the reasons why they consider him/her to be independent.

CHAPTER 4 CONVENING AND RULES OF PROCEDURE OF MEETINGS

Article 15 Work procedures of the Nomination Committee include:

(1) the Nomination Committee shall proactively communicate with relevant departments of the Company to understand the demand for new directors and senior management members and work out written reports;

(2) the Nomination Committee may comprehensively look for candidates of directors and senior management within the Company as well as on talent market;

(3) to collect the information on occupation, education background, job title, detailed work experience and all concurrent positions of the proposed candidates, and work out written reports;

(4) to seek the consent of the proposed candidates for nomination, otherwise they shall not be put on the list of candidates for directors and senior management;

(5) to convene the meeting of the Nomination Committee, and check the eligibility according to the qualifications required for directors and senior management;

(6) to submit the recommendation and relevant materials about the candidates for directors and senior management to the Board of Directors prior to the election of new directors and the appointment of new senior management members; and

(7) to follow up other matters according to decisions and feedback of the Board of Directors.

Article 16 Meetings of the Nomination Committee include regular meetings and extraordinary meetings.

Regular meetings shall be held at least once a year. An extraordinary meeting may be convened by the Chairman of the Board of Directors or the chairman of the Nomination Committee, or jointly by two or more committee members.

Article 17 A meeting of the Nomination Committee may be held on-site or by circulation of written proposals. Members can attend a meeting of the Nomination Committee via telephone, video or other means of communication. Members who attend a meeting through the aforesaid means are deemed to having attended a meeting. Members who attend a meeting via telephone, video or other means of communication should ensure that they can communicate clearly with other members of the meeting.

Article 18 Notice of meeting of the Nomination Committee shall be given seven days (excluding the date of meeting) prior to a regular meeting. If an extraordinary meeting needs to be convened as soon as possible in case of emergencies, the meeting can be convened without the foregoing limitation on notice period, provided that the chairman of the Nomination Committee shall give explanation at the meeting.

Article 19 The quorum of the meetings of the Nomination Committee shall be two-thirds or more of all its members.

Article 20 A member may attend a meeting in person, or appoint other member to attend and vote thereat provided that a power of attorney shall be submitted to the chair of the meeting. The name of the proxy, matters appointed and scope of authorization shall be specified in the power of attorney which shall be signed or sealed by the principal. The power of attorney shall be submitted to the chair of the meeting no later than the start of voting process.

Article 21 A member who neither attends a meeting of the Nomination Committee in person nor appoints a proxy to attend on his/her behalf shall be deemed as absent from the meeting.

Article 22 Meetings of the Nomination Committee may be attended by the secretary to the Board of Directors, and by directors other than members of the Nomination Committee upon request. The Nomination Committee may, if thought necessary, request other personnel related to proposals of the meeting to attend the meeting, make presentation or express opinions, provided that a participant other than members of the Nomination Committee shall have no right to vote on the proposals.

Article 23 Any vote at a meeting of the Nomination Committee may be taken by a show of hands or by poll.

Each member of the Nomination Committee shall have one ballot for voting. Resolutions passed at the meeting shall be approved by more than half of all members (including those absent from the meeting).

Article 24 Resolutions and voting result of a meeting of the Nomination Committee shall be submitted in writing to the Board of Directors for review.

Article 25 The office of the Board of Directors is responsible for the preparation work for the Nomination Committee's decision-making, including but not limited to: collection of meeting materials, daily work liaison and the organizing of meetings. Relevant departments of the Company should actively cooperate with the office of the Board of Directors on this.

Article 26 Minutes shall be made for the meetings of the Nomination Committee, and shall contain full details of the matters considered thereat. Draft and final versions of minutes of the meetings shall be delivered to all members of the Committee for their comment and records within twenty-one days after the meeting. All members who have attended the meetings shall sign on the minutes of the relevant meetings, and the minutes of meetings shall be kept by the secretary of the Board of Directors.

Article 27 Members of the Nomination Committee who have access to corporate information are liable for confidentiality before it is made public.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 28 For the purpose of these Terms, directors shall include Chairman, Vice Chairman and directors (including independent directors) serving in the Company; and senior management shall include general manager, deputy general managers, the secretary to the Board of Directors, assistant to general manager and chief financial officer and other personnel identified as senior management officers by the Board of Directors.

The expression "or more" herein for the numbers includes the underlying number indicated while "exceed" or "below" excludes the underlying number.

Article 29 Subject to adoption as resolved by the Board of Directors, these Terms shall come into effect and be implemented on the date when the Company's overseas listed foreign shares (H shares) are issued and listed. The existing terms of reference of the Nomination Committee of the Board of Directors of the Company shall automatically lapse by then.

Article 30 These Terms shall be published on websites of the Company and The Stock Exchange of Hong Kong Limited as required by the Listing Rules.

Article 31 Matters not covered by these Terms shall be governed by relevant laws, regulations of the PRC, the Listing Rules and the Articles of Association. In the event that these Terms conflict with applicable laws, regulations of the PRC, the Listing Rules and the Articles of Association validly amended, the latter shall prevail and these Terms shall be revised immediately and adopted after considered and approved by the Board of Directors.

Article 32 These Terms shall be interpreted by the Board of Directors.

* *For identification purposes only*