Dajin Heavy Industry Co., Ltd.
大金重工股份有限公司

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

(Stock Code: 1081)

Terms of Reference of the Nomination Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to improve the governance structure of Dajin Heavy Industry Co., Ltd. (the "Company"), assist the Board of the Company in scientific decision-making, and promote the efficient management of the management level, the Company established the Nomination Committee of the Board and formulated these Terms of Reference in accordance with relevant laws, administrative regulations, departmental rules, normative documents and securities regulatory rules such as the Company Law of the People's Republic of China (the "Company Law"), the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") (together, the "securities regulatory rules of the places where the Company's shares are listed") and the Articles of Association of Dajin Heavy Industry Co., Ltd. (the "Articles of Association") and other relevant provisions.

Article 2 The Nomination Committee of the Board is a specialized working body under the Board of the Company established with the approval of the general meeting, being accountable to and reporting to the Board, and is mainly responsible for selecting and making recommendations on the candidates, selection criteria and procedures of directors and senior management of the Company.

Chapter 2 Composition

Article 3 The Nomination Committee shall consist of three directors, of which more than half of the members shall be independent directors. The Nomination Committee shall include at least one director of a different gender.

The term "independent director" referred to herein shall have the same meaning as that of the "independent non-executive director" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 4 The members of the Nomination Committee shall be nominated by the Chairman of the Board, over one-half of the independent directors or over one-third of the directors, and shall be elected by the Board.

Article 5 The Nomination Committee shall have a chairman, who shall be an independent director and shall be elected by the Board, responsible for presiding over the work of the Committee.

Article 6 The term of office of the Nomination Committee shall be the same as that of the Board. Members of the Committee can be re-elected. If a member is no longer the Company's director during the term of office, he/she will automatically lose the qualification to be a member of the Committee and the vacancy shall be filled up by the Committee in accordance with the provisions of Articles 3 to 5 of these Terms of Reference.

Article 7 The provisions of the Company Law, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association regarding the obligations of directors shall apply to the members of the Nomination Committee.

Chapter 3 Duties and Powers

Article 8 The Nomination Committee is responsible for formulating criteria and procedures for the selection of directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board on the following matters:

(1) to nominate or appoint and dismiss directors;

(2) to appoint or dismiss senior management;

(3) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a skills matrix of the Board and advise on any proposed changes to the Board to align with the issuer's corporate strategy;

(4) to identify individuals qualified and eligible to serve as members of the Board and senior management, and select and nominate such persons for directorship or provide opinions to the Board in this regard;

(5) to assess the independence of independent directors;

(6) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer;

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

(8) to assess each director's time commitment and contribution to the Board, as well as the director's ability to discharge his/her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of issuers listed on any stock exchange(s) and other significant external time commitments of such director and other factors or circumstances relating to the director's character, integrity, independence and experience; and

(9) other matters required by laws, regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for not adopting in the resolution of the Board and disclose the same.

Article 9 The Nomination Committee shall review the Company's employee diversity policy (including senior management) and its implementation, and make recommendations to the Board to enhance its effectiveness and foster a diverse and inclusive workplace.

Article 10 The Nomination Committee shall annually assess and review its own effectiveness and the adequacy of its terms of reference, oversee the Board's assessment, and provide recommendations to the Board for improvement.

Article 11 The Nomination Committee is accountable to the Board, and the proposals of the Committee shall be submitted to the Board for consideration and approval. Without sufficient reasons or reliable evidence, the controlling shareholders shall fully respect the recommendations of the Nomination Committee, otherwise, they cannot propose alternative candidates for directors and senior management.

Article 12 The Company shall provide the Nomination Committee with sufficient resources to perform its duties.

Chapter 4 Decision-making Procedures

Article 13 In accordance with the relevant laws, regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and in the light of the Company's actual situation, the Nomination Committee shall study the election criteria, selection procedures and term of office of the directors and senior management of the Company, formulate a contingency resolution for the record and submit the same to the Board for approval, and implement it thereunder.

Article 14 Selection procedures of directors and senior management shall be as follows:

(1) the Nomination Committee shall actively communicate with the relevant departments of the Company, and study the Company's demand for new directors and senior management, and prepare written materials;

(2) the Nomination Committee may extensively identify candidates for directors and senior management within the Company and holding (shareholding) enterprises and in the talent market;

(3) to collect information such as the occupation, educational background, professional titles, detailed work experience, and all part-time jobs of the primary candidates, and prepare written materials;

(4) to seek the consent of the nominees to the nomination, otherwise, they shall not be considered as candidates for director or senior management;

(5) to convene a meeting of the Nomination Committee to review the qualifications of the primary candidates according to the eligibility requirements of the directors and senior management;

(6) to submit recommendations and relevant materials to the Board on candidates for directors and senior management appointments one to two months prior to the election of new directors and the appointment of new senior management;

(7) to carry out other follow-up works according to the decisions and feedback of the Board.

Chapter 5 Rules of Procedure

Article 15 The Nomination Committee shall convene meetings from time to time as needed, and all members shall be notified 5 days in advance of the meeting. The meeting shall be presided over by the chairman. If the chairman is unable to attend, another independent director shall be entrusted to preside over the meeting. If the situation is urgent and it is necessary to convene a meeting of the Nomination Committee as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall give an explanation at the meeting.

Article 16 A meeting of the Nomination Committee shall be held only when at least two-thirds of the members are present. Each member shall have one vote. A resolution of the meeting shall be adopted only upon approval by a majority of all members.

Article 17 The voting method of the meeting of the Nomination Committee shall be voting by show of hands or by poll. Meetings may also be convened by means of voting by correspondence.

Article 18 Directors and other senior management of the Company may be invited to attend the meetings of the Nomination Committee as non-voting delegates when necessary.

Article 19 Where necessary, the Nomination Committee may engage intermediary institutions to provide professional advice for its decision-making, with all expenses to be borne by the Company.

Article 20 The convening procedures, voting methods and resolutions passed at meetings of the Nomination Committee shall comply with relevant laws, regulations, the Articles of Association, and these Terms of Reference.

Article 21 Records shall be kept for meetings of the Nomination Committee. Members of the Nomination Committee who attend the meeting shall sign the minutes. The minutes shall be maintained by the secretary to the Board of the Company for a period of ten years.

Article 22 Resolutions passed and voting results at meetings of the Nomination Committee shall be reported to the Board of the Company in writing. The convening procedures, voting methods and resolutions passed at meetings of the Nomination Committee shall comply with relevant laws, regulations, the securities regulatory rules of the places where the Company's shares are listed, the Articles of Association, and these Terms of Reference.

Article 23 All members of the Nomination Committee and others present and attending the meeting shall have a duty of confidentiality with respect to the matters discussed at the meeting and shall not disclose any relevant information without authorization.

Chapter 6 Supplementary Provisions

Article 24 Matters not covered in these Terms of Reference shall be implemented in accordance with the relevant provisions of the relevant national laws, regulations, normative documents, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and other normative documents. In the event of any conflict between these Terms of Reference and the national laws, regulations, normative documents, securities regulatory rules of the places where the Company's shares are listed subsequently introduced, or the Articles of Association as amended through lawful procedures, such relevant national laws, regulations and Articles of Association shall prevail.

Article 25 These Terms of Reference shall be interpreted by the Board of the Company and shall take effect and be implemented from the date of listing of the Company's overseas listed H shares pursuant to the initial public offering on The Stock Exchange of Hong Kong Limited after being considered and approved by the Board.