

**Beijing Jingcheng Machinery Electric Company Limited**

**Enforcement Regulations for the Directors Board Nomination Committee**

(In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

## **Chapter 1 General Provisions**

Article 1 With a view to regulating its recruitment process of the management staff, perfecting the composition of the Board of Directors and rationalizing its corporate governance structure, the Company hereby has established the Directors Board Nomination Committee and formulated this Enforcement Regulations in accordance with the Company Law of the People's Public of China, the Code of Corporate Governance for Listed Companies, its Articles of Association and the other relevant regulations.

Article 2 The Nomination Committee of the Board is a dedicated body established under the Board to be primarily responsible for selecting and advising on the choice, criteria, and procedures of the proposed appointments of the Company's directors, managers as well as directors/supervisors dispatched to its subsidiaries (hereafter referred to as "Dispatched Directors/Supervisors").

## **Chapter 2 Personal Composition**

Article 3 The Nomination Committee shall consist of three directors, the majority of whom shall be independent directors.

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

Article 5 The Nomination Committee shall have one chairman (convener) who shall be an independent director and is responsible for chairing the Nomination Committee. The chairman shall be elected from the members of the Committee and appointed with the approval of the Board.

Article 6 The term of office of the Nomination Committee shall be identical to that of the Board. A member may offer himself/herself for re-election upon the expiration of his/her term of office. Any member of the Nomination Committee who no longer holds office as a director of the Company during the term shall automatically cease to be a member of the Committee, and the vacancy shall be filled by the other Committee member with arrangement of the Committee in light of Articles 3 to 5 above.

### **Chapter 3 Duties and Authorities**

Article 7 The main duties and authorities of the Nomination Committee include: (i) to make recommendations to the Board regarding the size and composition of the Board based on the operations, asset size and shareholding structure of the Company; (ii) to review the selection criteria and process for directors, managers and dispatched directors/supervisors, and make recommendations to the Board; (iii) to identify extensively qualified candidates for directors, managers and dispatched directors/supervisors; (iv) to screen and make recommendations on the candidates for directors, managers and dispatched directors/supervisors; (v) to screen and make recommendations on the candidates for other senior managers who shall be referred to the Board for appointment; (vi) to define the job description of directors, managers and dispatched directors/supervisors as well as their career path; (vii) to develop and implement succession and cultivation plans for directors, supervisors, senior managers and dispatched directors/supervisors; and (viii) other matters as authorized by the Board.

Article 8 The Nomination Committee shall report to the Board and submit its proposals to the Board for review. Controlling shareholders shall give full respect to the recommendations by the Nomination Committee, and may not nominate alternative candidates for directors or managers without good reasons or solid evidence.

## **Chapter 4 Decision-making Procedures**

Article 9 The Nomination Committee shall review the selection criteria, selection process and term of office of a director, manager and dispatched director/supervisor as required by the relevant laws and regulations and the *Articles of Association* by taking into account the situation of the Company, and shall submit the resolution so formed to the Board for approval and then implement it.

The Secretariat of the Nomination Committee is established under the HR Division. The HR Division is responsible to make preliminary preparation for decision-making by the Nomination Committee and to provide information in respect of the Company, including (i) qualification evaluation of candidates, and (ii) background investigation into persons involved in proposed appointment or removal.

Article 10 The selection and appointment processes of directors and managers are as follows: (i) the Nomination Committee should actively communicate with the relevant sectors of the Company, study the Company's demand for new directors, managers and dispatched directors/supervisors, and present such information in writing; (ii) the Nomination Committee may identify extensively candidates for directors, managers and dispatched directors/supervisors from the Company, any company of which the Company is the holding company or which is a stock-participating company of the Company and the labor market; (iii) directors are nominated by shareholders or the Nomination Committee, General Manager and Secretary of the Board by the Chairman of the Board, Deputy General Manager and other senior managers by the General Manager, and dispatched directors/supervisors by the Nomination Committee; (iv) the Nomination Committee gathers information about the occupation, academic qualifications, post title, detailed work

experience and all the concurrent posts of the candidate and present such information in writing; (v) to seek the nominee's consent to nomination; otherwise, the nominee cannot be a candidate for director, manager or dispatched director/supervisor; (vi) to convene a Nomination Committee meeting to screen the qualifications of the candidate against the criteria for director, manager or dispatched director/supervisor; (vii) to make recommendations to the Board regarding the candidates for directors, new managers and dispatched directors/supervisors, and submit the relevant information to the Board one to two months prior to the election of new directors and appointment of new managers and dispatched directors/supervisors; and (viii) to take other follow-up actions based on the decision and feedback from the Board.

## **Chapter 5 Procedural rules**

Article 11 The Nomination Committee holds meetings on demand from time to time each year. Five-day-in-advance notice shall be given to all members before each meeting. The chairman of the Committee shall chair the meetings. If he/she is unable to be present, the chairman may authorize any other member (independent director) to chair the meeting.

Article 12 Two-thirds of the members are required to constitute a quorum of a Nomination Committee meeting. Each member shall be entitled to one vote. Resolutions at any meetings shall be passed by a simple majority of votes of all the members.

Article 13 Votes shall be taken on a show of hands or on a poll.

Article 14 The Nomination Committee accepts written proposals as substitute for Nomination Committee meetings, subject to written consent from a simple

majority of all the members.

Article 15 Where necessary, directors, supervisors or any other persons whom the Committee believes need to attend the meeting may be invited to be present at Nomination Committee meeting.

Article 16 Intermediaries may be engaged by the Nomination Committee at the expense of the Company to give professional advice on its decision-making if necessary.

Article 17 The holding of a Nomination Committee meeting, voting processes and resolutions passed at the meeting shall be compliant with laws, regulations, the Company's *Articles of Association* and provisions herein.

Article 18 Minutes shall be taken on all meetings of the Nomination Committee and signed by each attending member. All meeting minutes shall be kept by the Secretary of the Board for five years.

Article 19 Resolutions passed at a Nomination Committee meeting and voting results thereon shall be submitted to the Board in writing.

Article 20 All members present at Nomination Committee meetings shall be obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

## **Chapter 6 Addendum**

Article 21 The Enforcement Regulation shall take effect from the date the resolution is passed by the Board.

Article 22 In case of matters not covered herein, the relevant state laws, regulations and the *Articles of Association* of shall apply. In case any of the Enforcement Regulations conflicts with the state laws and regulations which are to be issued in the future or the *Articles of Association* as legally modified, the relevant state laws, regulations and the *Articles of Association* shall prevail. In such case, corresponding amendments shall be made to the Enforcement Regulations immediately and submitted to the Board for approval.

Article 23 The Enforcement Regulations shall be construed and interpreted by the Board of the Company.