

# BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED

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

### Chapter 1 General Provisions

- Article 1 In order to optimize the decision making process of the Board of Directors of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (hereinafter the “Company”), perfect its corporate governance, sufficiently safeguard the legal rights of the Company and all of its shareholders, the Board of Directors has established the Nomination Committee and formulated its terms of reference (hereinafter the “Terms”) in accordance with the Company Law of the People's Republic of China, Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (hereinafter the “GEM Listing Rules”), Articles of Association of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (hereinafter the “Articles of Association”) and other relevant rules.
- Article 2 The Nomination Committee is a designated committee established under the Board of Directors and shall be accountable to the Board of Directors.
- Article 3 The Nomination Committee is responsible for regulating the selection criteria and procedures with respect to the directors, presidents and other members of senior management of the Company.

### Chapter 2 Composition of the Nomination Committee

- Article 4 The Nomination Committee shall comprise five directors, and the majority of which shall be the independent non-executive directors. All the members of the Nomination Committee shall be appointed by the Board of Directors.
- Article 5 The Nomination Committee shall have a chairman who shall be appointed by the Board of Directors. The chairman shall be an independent non-executive director or the chairman of the Board of Directors. The chairman of the Nomination Committee shall exercise the following duties:
- (1) to take charge of the duties of the Nomination Committee;
  - (2) to convene and preside over the regular and extraordinary meetings of the Nomination Committee;

- (3) to supervise and examine the implementation of resolutions adopted by the Nomination Committee;
- (4) to execute important documents of the Nomination Committee;
- (5) to report to the Board of Directors on a regular basis;
- (6) to perform other duties and powers delegated by the Board of Directors.

Article 6 The term of office of the members of the Nomination Committee shall be the same as that of the Board of Directors. Each member shall be eligible for re-election upon expiration of his/her term of office.

No members shall, before the expiration of his/her term of office, be removed from office without reason except for the circumstances that require dismissal as stipulated in the laws and regulations, Articles of Association or the Terms.

If any member ceases to be a director of the Company during his/her term of office, he/she shall be automatically disqualified from acting as a committee member, and such vacancy shall be filled by the Board of Directors pursuant to the requirements of Article 4 above.

Any change in the membership of the Nomination Committee with simultaneous change in the directorship of the Company shall be approved at the general meetings pursuant to the relevant procedures as stipulated in Articles of Association, and an announcement shall be published in accordance with the requirements of the regulatory rules.

Article 7 Any members of the Nomination Committee may hold positions in other special committees of the Board of Directors concurrently, provided that he/she is capable of discharging his/her duties.

Article 8 The Board Secretary shall be responsible for the liaison of the daily work, as well as the coordination and organization of the meetings of the Nomination Committee.

### Chapter 3 Duties and Authorities of the Nomination Committee

Article 9 The main duties and authorities of the Nomination Committee are as follows:

- (1) to review the structure, size and composition (including the professional capabilities, knowledge and experience) of the Board of Directors after the end of each year and provide recommendations on any proposed changes to the Board of Directors which are in line with the Company's strategies;

- (2) to consider the selection criteria and procedures with respect to the directors, presidents and other members of senior management and provide recommendations to the Board of Directors thereon;
- (3) to identify for candidates who are duly qualified for serving as directors, presidents and other members of senior management;
- (4) to scrutinize candidates for director, president and other members of senior management and provide recommendations thereon;
- (5) to assess the independence of the independent non-executive directors;
- (6) to provide recommendations to the Board of Directors on the appointment or reappointment of directors, presidents and other members of senior management and the succession plans for the directors, presidents and other members of senior management (in particular the Chairman of the Board of Directors and the President);
- (7) to examine or consider the shareholder representatives appointed or replaced by the Company and the candidates for directors and supervisors recommended or replaced by the Company in its wholly-owned companies/controlled companies/invested companies, and/or the candidates for the general managers or executive directors of subsidiaries in which no board has been established, and provide recommendations to the Board of Directors thereon;
- (8) The chairman or another member, who must be an independent non-executive director, of the Nomination Committee shall attend the annual general meeting of the Company and prepare to respond to any questions raised by shareholders on the Nomination Committee's activities and responsibilities. Where the chairman is unable to be attend, he/she may delegate a member, who must be an independent non-executive director, of the Nomination Committee to attend on his/her behalf;
- (9) to review the policy concerning the diversity of the Board members and the progress on achieving the objectives set for implementing such policy;
- (10) to perform other duties and powers delegated by the Board of Directors.

- Article 10 The Nomination Committee shall be accountable to the Board of Directors. The proposal passed by the Nomination Committee shall be submitted to the Board of Directors in writing for consider, or shall be submitted by the Board of Directors in accordance with Articles of Association to the general meeting of the Company for consider.
- Article 11 The Company shall provide all necessary budget and other resources to the Nomination Committee for performing its duties.
- Article 12 The Nomination Committee shall disclose its terms of reference, explain its role and the authority delegated by the Board of Directors of the Company.

#### Chapter 4 Work procedures of the Nomination Committee

- Article 13 The Nomination Committee shall, taken into the consideration of the situation of the Company, review the selection criteria and procedures as well as the term of office of the directors, presidents and other members of senior management of the Company in accordance with the requirements of relevant laws and regulations and Articles of Association. Any resolution made in this regard shall be submitted to the Board of Directors for approval, and shall be implemented accordingly.
- Article 14 The procedures of election of directors, presidents and other members of senior management are as follows:
- (1) the Nomination Committee shall, based on the Company's requirements for development, undertake a comprehensive assessment and analysis over the Company's existing directors, presidents and other members of senior management;
  - (2) to extensively identify the candidates for the positions of directors, presidents and other members of senior management by various means, based on the requirements of the positions;
  - (3) to obtain information on the occupation, education background, job title, detailed work experience of, and all part-time positions held by the proposed candidates, and to compile such information into written records;
  - (4) pursuant to the requirements of the laws and regulations and Articles of Association, the Committee shall seek the consent on the nomination of the candidates who are nominated for the position of director, president or other members of senior management by the relevant authorities or personnel; otherwise, such candidate is not eligible for the candidacy of the position of director, president or other members of senior management;

- (5) to convene meetings of the Nomination Committee to examine the qualification of the candidates with reference to the job requirements of directors, presidents and other members of senior management;
- (6) to make recommendations about the candidates for the positions and submit relevant information to the Board of Directors;
- (7) to undertake other follow-up work according to the decision and feedback of the Board of Directors.

#### Chapter 5 Meetings of the Nomination Committee

- Article 15 The meeting of the Nomination Committee shall be held at least once a year. The extraordinary meeting shall be held whenever proposed by two or more members or the chairman of the Nomination Committee.
- Article 16 The meeting of the Nomination Committee shall be duly convened with all members being informed by telephone, mail or fax of the time and the place of the meeting, form of meeting, matters and issues to be considered, the convener and the chairman not less than three days prior to the meeting; and such information shall be sent to every member.
- Article 17 The meetings of the Nomination Committee shall be chaired by the chairman and in the failure of which, the chairman shall designate a member, being an independent non-executive director, to preside over the meeting.
- Article 18 The meetings of the Nomination Committee may only be held with the presence of at least two-thirds (two-thirds inclusive) of the members. The members of the Nomination Committee shall attend the meetings in person or by telephone conference or by other similar means of telecommunication. If a member fails to attend the meetings in person for any reasons, such member may appoint other member for his/her behalf to attend the meetings with written scope of authorization expressly stated in the mandate.
- Article 19 The Nomination Committee may invite other directors, supervisors and members of senior management of the Company to attend the meetings whenever necessary. The Nomination Committee may also engage intermediaries to provide professional advice for its decisions if it deems necessary and the reasonable fees arising therefore shall be borne by the Company.
- Article 20 Voting at the meetings may take place by show of hands or by poll. Each member shall have one vote. The resolutions proposed at the meetings must be approved and passed by the majority of all the members.

Article 21 The meetings of the Nomination Committee may be held by way of written resolutions.

The written resolutions shall be delivered to all members by fax, courier or by hand. After the voting of resolutions by the members, the original documents shall be sent to the Company for filing. If a resolution is signed and approved by members who are sufficient to form the quorum as required by the Terms, the resolution shall be deemed to be an effective resolution of the Committee.

Article 22 The procedures for convening the meetings of the Nomination Committee, voting methods and resolutions passed at the meetings shall be in compliance with the provisions of relevant laws and regulations, Articles of Association and the Terms.

Article 23 The member of the Nomination Committee shall abstain from the meeting of the Nomination Committee in which the matters discussed related to such member.

Article 24 The resolution(s) passed at the meetings of the Nomination Committee and the voting result(s) shall be reported to the Board of Directors of the Company in writing.

Article 25 The members attended and presented at the meetings shall have the obligation to keep all the matters discussed at the meetings confidential and must not divulge such information without authorization.

Article 26 Full minutes shall be kept for all meetings of the Nomination Committee. All members who attend the meetings shall sign on the minutes. The Board Secretary of the Company shall keep all the minutes for Directors' inspection at any time.

Draft versions of minutes of the Nomination Committee meetings shall be provided to all members for review as soon as possible for allowing them to provide written comments for amendments. The final versions of minutes of the meetings shall be prepared and sent to all members for their records within a reasonable time after the meetings.

## Chapter 6 The Supervision and Assessment System over the Nomination Committee by the Board of Directors

Article 27 The Nomination Committee is supervised by the Board of Directors of the Company which would assess the work of Nomination Committee at the end of each year.

The criteria of assessment mainly include:

- (1) whether the Terms satisfy the requirements of the laws and regulations and regulatory requirements;
- (2) whether the members of the Nomination Committee are independent of the management of the Company;
- (3) whether each member has the legal qualification, appropriate professional capabilities and experience for taking office;
- (4) whether each member fully understands and performs his/her duties.

Article 28 The Nomination Committee shall submit the annual work report to the Board of Directors within two months after the end of each accounting year.

## Chapter 7 Supplementary Provisions

Article 29 The Directors as referred in the Terms shall refer to all members of the Board of Directors of the Company; the members of senior management as referred herein shall refer to the President, Vice President, Financial Controller, Company Secretary, Board Secretary.

Article 30 Should the matters not expressly set out in the Terms be in conflict with the laws and regulations or Articles of Association as formulated or revised through legal procedures, such matter shall be undertaken in accordance with the provisions of the relevant national laws and regulations or Articles of Association and the Terms shall be forthwith amended and submitted to the Board of Directors of the Company for its consideration and approval.

Article 31 The Terms are effective from the date on which they are reviewed and approved by the Board of Directors of the Company.

Article 32 The right of interpretation to the Terms shall be vested with the Board of Directors of the Company.

August 2013