

CIG SHANGHAI CO., LTD.
TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the selection of directors (the “Directors”, each a “Director”) and senior management of CIG SHANGHAI CO., LTD. (the “Company”), optimize the composition of the board (the “Board”) of Directors and improve the corporate governance structure, the Company has established the Nomination Committee (the “Committee”) of the Board with these terms of reference (the “Terms of Reference”) in compliance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange Listing Rules”), the Articles of Association of CIG SHANGHAI CO., LTD. (the “Articles of Association”), the Rules of Procedure for the Board of Directors of CIG SHANGHAI CO., LTD., and other relevant provisions.

Article 2 The Nomination Committee of the Board, being a special working body established by the Board in accordance with the resolutions of general meetings, is mainly responsible for selecting and making recommendations on the candidates and the criteria and procedures for the selection of the Directors and senior management of the Company.

CHAPTER II COMPOSITION

Article 3 The Nomination Committee shall comprise three Directors, of whom the majority shall be independent Directors and at least one shall be of a different gender.

If there are regulations on the composition of the Nomination Committee as updated from time to time under the securities regulatory rules of the place where the Company's shares are listed, such regulations shall be complied with.

Article 4 The members of the Nomination Committee shall be nominated by the chairman of the Board or more than one-half of the independent Directors or one-third of all Directors, and shall be elected by the Board.

Article 5 The Nomination Committee shall have one chairman (convener), who shall be an independent Director and a member of the Committee, responsible for leading the work of the Committee. The chairman shall be elected from among the members and shall be reported to the Board for the approval of appointment.

Article 6 The members of Nomination Committee shall serve for the same term as the Board. The members are eligible for re-election upon expiry of the term. During the period, if any member ceases to serve as a Director of the Company or a member who should have the status of an independent Director no longer possesses the independence as required by laws, regulations and regulatory documents, the securities regulation rules of the place where the Company's shares are listed and the Articles of Association, he/she will automatically lose his/her membership, and the Committee will replenish the number of members in accordance with the provisions of Articles 3 to 5 above.

CHAPTER III DUTIES AND AUTHORITIES

Article 7 The Nomination Committee shall be responsible for preparing for the criteria and procedures for the selection of Directors and senior management, selecting the candidates for the Directors and senior management and reviewing their qualifications, and making recommendations to the Board on the following matters:

- (1) the nomination or appointment and removal of Directors, and the appointment or dismissal of senior management; the preparation for the criteria, procedures and methods for the selection of Directors and senior management of the Company and their submission to the Board for review; the review of the structure, number of members and composition of the Board (including skills, knowledge and experience) to be conducted at least annually; and the recommendations on any proposed changes to the Board in line with the Company's strategy;
- (2) the identification of individuals who are suitably qualified to serve as Directors; the investigation on other senior management nominated by the general manager; the selection and nomination of such persons to be Directors or other senior management; or the making of recommendations to the Board in this regard;
- (3) the comprehensive assessment of the skills, knowledge and experience of Directors and senior management; and the evaluation of the independence of independent non-executive Directors;
- (4) the review of and the making of recommendations on candidates for Directors and the general manager; and the making of recommendations to the Board on the appointment or reappointment of Directors and their succession plans (particularly for the chairman of the Board and the general manager);
- (5) the maintenance of a Board diversity policy; the supervision of the implementation of the Board diversity policy; the regular review and disclosure of such Board diversity policy or its summary in the Company's corporate governance report; the review of and discussion about any necessary revisions to be made; and the making of recommendations on any of such revisions to the Board for approval;
- (6) other matters as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 8 The chairman of the Nomination Committee shall be mainly responsible for the following:

- (1) convening and presiding over the meetings of the Committee;
- (2) supervising and inspecting the work of the Committee and the implementation of the resolutions of the Committee;
- (3) signing the relevant documents of the Committee;
- (4) reporting the work of the Committee to the Board of the Company;

- (5) attending the Company's annual general meeting and answering questions raised by shareholders on matters relating to the duties of the Committee. If the chairman of the Committee is unable to attend the annual general meeting, another member of the Committee or a duly appointed representative shall be present on his/her behalf;
- (6) other duties required to be performed or as delegated by national laws, regulations and normative documents, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, the Terms of Reference and the Board.

Article 9 The members of the Nomination Committee shall be mainly responsible for the following:

- (1) attending the meetings of the Committee as scheduled, expressing opinions on matters discussed at the meetings, and exercising voting rights;
- (2) proposing topics to be discussed at the meetings of the Committee;
- (3) attending or listening to relevant meetings of the Company, conducting investigation and research, and obtaining necessary reports, documents, materials and other relevant information for performing duties;
- (4) fully understanding the duties of the Committee and their own duties of being members of the Committee, being familiar with the Company's operation and management, business activities and development relating to their duties, and ensuring that they are capable of performing their duties;
- (5) adequately assuring their time and energy devoted to work in performing their duties;
- (6) other functions and powers as delegated by national laws, regulations and normative documents, the securities regulatory rules of the place where the Company's shares are listed, the Terms of Reference, and the Board.

Article 10 The Nomination Committee shall be accountable to the Board, and its proposals shall be submitted to the Board for consideration and decision; and the controlling shareholders shall fully respect the recommendations of the Nomination Committee if there are no sufficient reasons or reliable evidence, otherwise, no alternative candidates for Directors or senior management shall be nominated.

The Nomination Committee shall publish its terms of reference on the HKExnews website of The Stock Exchange of Hong Kong Limited and the website of the Company to explain its role and the authorities delegated to it by the Board.

CHAPTER IV DECISION-MAKING PROCEDURE

Article 11 In accordance with the provisions of relevant laws and regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Nomination Committee shall, based on the actual situation of the Company, study the election conditions, selection procedures and terms of office of the Directors and senior management of the Company, and then prepare resolutions for filing and submission to the Board for approval, and implement such resolutions accordingly.

Article 12 The procedures for the election and appointment of Directors and senior management:

- (1) the Nomination Committee shall actively communicate with the relevant departments of the Company to study the Company's needs for new Directors and managers, and prepare written materials;
- (2) the Nomination Committee may conduct an extensive search for candidates for Directors and senior management within the Company, its controlling (or holding) enterprises and the talent market;
- (3) information such as occupation, education background, professional title, detailed work experience, and all part-time jobs of the preliminarily selected candidates shall be collected, and written materials shall be prepared;
- (4) the agreement on nomination shall be sought from the nominees, otherwise, such nominees shall not be considered as candidates for Directors or senior management;
- (5) a meeting of the Nomination Committee shall be convened to review the qualifications of the preliminarily selected candidates according to the conditions of serving as Directors and senior management;
- (6) in one to two months before the election of new Directors and the appointment of new senior management, recommendations on and relevant materials of the candidates to be elected as Directors and the individuals to be appointed as new senior management shall be made and submitted to the Board;
- (7) other subsequent efforts shall be made based on the decisions made and feedback given by the Board.

CHAPTER V RULES OF PROCEDURE

Article 13 The Nomination Committee shall hold meetings every year according to its actual needs. When two or more members of the Committee propose or when the chairman of the Committee deems necessary, a meeting may be convened upon serving a notice to all of its members at least three days before the meeting. Under special circumstances, the Nomination Committee may convene a meeting at any time, but it must ensure that a notice has been served to all of its members in a timely and effective manner. The chairman of the Committee shall preside over the meetings, and if the chairman of the Committee is unable to attend a meeting, he/she may authorize another member of the Committee (an independent Director) to preside over such meeting.

Article 14 A meeting of the Nomination Committee shall be held only when more than two-thirds of its members are present; each member of the Committee shall have one vote; and resolutions of the meeting must be passed by more than half of all of its members. If a member of the Committee is unable to attend a meeting for a reason, he/she may authorize another member of the Committee in writing to attend on his/her behalf, and such presence at the meeting by proxy shall be deemed to be present in person.

Article 15 Voting at a meeting of the Nomination Committee shall be conducted by a show of hands or by poll. The voting conducted through telecommunication methods may be adopted at a meeting convened, and the resolution must be signed for confirmation after voting.

Article 16 When necessary, the Nomination Committee may invite the Directors and senior management of the Company to attend the meeting.

Article 17 If necessary, the Nomination Committee may engage intermediaries to provide professional advice on its decision-making at the expense of the Company.

Article 18 The convening procedures for, the voting methods of and the resolutions passed at a meeting of the Nomination Committee, must comply with the provisions of relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the Terms of Reference.

Article 19 Minutes shall be kept for the meetings of the Nomination Committee, and all of its members present shall sign on the minutes of the meetings. The minutes of the meetings shall be kept by the secretary to the Board of the Company. The minutes of the meetings should record in detail the matters considered and the resolutions, including concerns or objections raised by the Directors. The complete minutes of the meetings of the Nomination Committee shall be kept by a duly appointed secretary of the Committee (usually the company secretary) and the secretary to the Board. Draft and final versions of the minutes of the meetings shall be circulated to all members of the Committee within a reasonable period of time after the meeting, with the draft version for comments by members and the final version for their record. The minutes of the meetings shall be available for inspection at a reasonable time upon giving a reasonable notice by the Directors of the Company.

Article 20 The resolutions passed at the meetings of the Nomination Committee and their voting results shall be reported to the Board of the Company in writing.

Article 21 Each member of the Committee present at a meeting shall have the obligation to keep confidential of the matters discussed at the meeting, and may not disclose relevant information without authorization, otherwise, he/she shall be liable for all legal liabilities arising therefrom.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 22 The Terms of Reference, upon the approval by resolution of the Board, shall be effective and implemented from the date when the H Shares issued by the Company are quoted and listed on The Stock Exchange of Hong Kong Limited. After the implementation of the Terms of Reference, the original Terms of Reference of the Nomination Committee of the Company shall automatically become invalid.

Article 23 Matters not covered by the Terms of Reference shall be implemented in accordance with the provisions of relevant national laws, regulations and normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. In the event of any conflict between the Terms of Reference and the national laws, regulations and normative documents to be promulgated in the future, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended through legal procedures, the provisions of relevant national laws, regulations and normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail, and the Terms of Reference shall be revised in a timely manner and submitted to the Board for consideration and approval.

Article 24 The right to interpret the Terms of Reference shall be vested in the Board of the Company. The meaning of “independent Director” in the Terms of Reference shall have the same meaning as the “independent non-executive Director” under the Hong Kong Stock Exchange Listing Rules.