

Capinfo Company Limited

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

Chapter 1 General provisions

- Article 1** In order to standardize the selection of directors and to improve the corporate governance structure of Capinfo Company Limited (hereinafter referred to as the “Company”), nomination committee of the board of directors (hereinafter referred to as the “Nomination Committee”) is established in accordance with the Companies Law of the People’s Republic of China, the Articles of Association of Capinfo Company Limited (hereinafter referred to as the “Articles of Association”) as well as the requirements set out in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and the these rules of work are formulated.
- Article 2** As a special commission under the board of directors, the Nomination Committee is primarily responsible for selecting the criteria and procedures for identifying proper candidates for directorship and making recommendations. Directors mentioned in these rules of work include executive directors, non-executive directors and independent non-executive directors of the Company.

Chapter 2 Composition of the Committee

- Article 3** The Nomination Committee shall comprise three (3) to five (5) directors, the majority of whom shall be independent non-executive directors.
- Article 4** The Nomination Committee shall have one chief committee member (convener), who shall be the chairman of the Company and mainly responsible for convening and presiding the work of the committee.
- Article 5** Members of the Nomination Committee shall be nominated by the chairman of the Company, half (1/2) of more than half (1/2) of the independent directors or one third (1/3) or more than one third (1/3) of all directors and shall be elected by the board of directors.
- Article 6** Chief committee member of the Nomination Committee is responsible for calling and presiding meetings of the Nomination Committee. When the chief committee member of the Nomination Committee is unable or fails to perform his duties, one of the other members (who shall be independent non-executive director) shall be designated to perform the duties in his stead. In case that neither the chief committee member of the Nomination Committee is able to perform his duties, nor any members are designated to perform the duties in his stead, more than half of the members may elect one member (who shall be independent non-executive director) to perform the duties on behalf of the chief committee member and report the situation to the board of directors of the Company in a timely manner.
- Article 7** The term of office for both the Nomination Committee and the board of directors shall be the same, and shall subject to re-election upon expiry. During his tenancy, the chief committee member or any member shall be automatically disqualified as soon as he no longer acts as the chairman or a director/independent director of the Company. By-election shall be processed by the board of directors in accordance with Articles 3 to 5 of these rules of work.

Article 8 The board of directors of the Company shall elect new members as soon as possible when the number of members of the Nomination Committee is less than two thirds (2/3) of the total or independent non-executive directors are in the minority due to resignation, removal or other reasons.

Article 9 A task group is set up under the Nomination Committee. The office of the board of directors shall assist the secretary of the board of directors for liaison in daily work, organization and preparation for meetings as well as supervision and implementation thereof.

Chapter 3 Powers and Duties

Article 10 The Nomination Committee primarily exercises the following powers and duties:

- (1) To make recommendations to the board of directors at least once a year in relation to the scale and composition of the board of directors based on the operating condition, asset scale, equity structure and development strategy of the Company with reference to the experience, knowledge and expertise of directors;
- (2) To review and assess the independence of the independent non-executive directors;
- (3) To make recommendations on the appointment or re-appointment or succession of directors, especially when a director acts as the chairman of the Company and the general manager at the same time, to the board of directors;
- (4) To study the selection criteria and procedures of directors, and make recommendations to the board of directors;
- (5) To identify qualified candidates for directorship in an extensive scale;
- (6) To conduct appraisals on the candidates for directorship and make recommendations;
- (7) Other issues authorized by the board of directors.

Article 11 Nomination for directors proposed by the Nomination Committee is subject to the consent of the board of directors and approvals at general meetings.

Article 12 An appraisal shall be conducted by the Nomination Committee on the candidates for directorship nominated by shareholders. The nomination procedures by shareholders are as follows:

- (1) Shareholders individually or collectively holding three percent (3%) or more of shares of the Company may nominate individuals for directorship of the Company;
- (2) Shareholders who satisfy the requirements of previous provision may inform the secretary of the board of directors or the company secretary by sending notice in writing to the principal place of business of the Company, who shall then submit the proposal to the Nomination Committee for further appraisal. In order to facilitate the Company to notify the shareholders about such proposals, the written notice should at least state the full name of the candidates for directorship and his/her personal information and other relevant information that needs to be brought to the attention of the shareholders as required by Rule 13.51(2) of the Listing Rules, together with proper confirmation for such information. The written notice shall be signed by shareholders and the nominee as well, in order to prove his intention for the election and confirm the information provided. Moreover, proper confirmation shall be provided by shareholders holding three percent (3%) or more of the shares of the Company.

- (3) The written notice must be delivered to the principal place of business of the Company or submitted to the Secretary of the Board or the Company Secretary from the day following the dispatch of the notice of general meeting at least twenty-five (25) days before the general meeting is convened. If there is no sufficient time for the Company to notify the shareholders about such proposal, the Company may consider postponing the general meeting.

Article 13 The nomination procedures for directorship by the Nomination Committee are as follows:

- (1) To actively communicate with the relevant divisions of the Company, study the demand of the Company for new directors and prepare written documents;
- (2) To identify candidates for directorship within the Company, its controlling companies as well as in the labour market in an extensively manner;
- (3) To obtain information including occupation, education background, job title, detailed working experience and all concurrent posts from initial candidates and prepare written documents;
- (4) To seek the nominees' consent on his/her nomination, otherwise his/her name shall not be put on the list of the candidates of directorship;
- (5) To convene meetings of the Nomination Committee and to review the qualification of the initial candidates according to their relevant qualifications;
- (6) To make recommendations about the candidates for directorship and provide relevant documents to the board of directors before the election of new directors;
- (7) To conduct other follow-up works based on the decision and feedbacks of the board of directors.

Article 14 The Nomination Committee shall carry out research on the criteria, selection procedures and term of office of the directors of the Company pursuant to relevant laws and regulations, the Articles of Association and these rules of work, with reference to the actual circumstance of the Company. Any resolution proposed as a result shall be filed and submitted to the board of directors for approval and shall be implemented accordingly.

Article 15 The Nomination Committee may appoint intermediates for professional advice based on its decisions whenever it thinks fit. Any reasonable expenses incurred shall be borne by the Company.

Chapter 4 Proceedings for Considering s and Voting at Meetings

Article 16 The secretary of the board of directors is responsible for preparing the meetings of Nomination Committee, coordinating relevant departments of the Company to prepare relevant documents and providing the Company with written materials in the related aspects.

Article 17 The Nominate Committee shall convene at least one meeting each year and notify all members three (3) days prior to the meeting.

The notice of meeting shall contain the followings:

- (1) The date and venue of the meeting;
- (2) The duration of the meeting;
- (3) The reasons for and topics of the meeting;
- (4) The date of issue of the notice.

Article 18 The meetings of the Nomination Committee shall be convened on-site. Conference call or similar communication equipment (including but not limited to written circular, video call, facsimile or email, etc.) may be adopted when necessary.

If the meeting is not convened on-site, the member who is present by way of video call or expresses opinions via conference call must receive an effective vote in the form of written circular, facsimile or email, or submits a written confirmation of his attendance after the meeting for counting the quorum.

Member of the Nomination Committee may attend the meeting in person, or by way of conference call or similar communication equipment, or appoints other member as his/her proxy to attend the meeting and exercise the voting right on his/her behalf. Member of the Nomination Committee who appoints other member as proxy to attend the meeting and exercise the voting right on his/her behalf shall lodge a written authorization (see appendix for the template) to the chairman of meeting before the meeting is convened. The meeting in which a member attended by proxy shall not be counted in his/her attendance.

Article 19 Any member of the Nomination Committee who is absent from two (2) consecutive meetings in a row without reason and has not appointed another member as proxy to attend the meeting on his/her behalf will be deemed as incapable of performing his/her duties and powers. The board of directors of the Company may remove the duty of such member.

Article 20 The Nomination Committee may hold a meeting with the presence of two-third (2/3) or more members. Each member has one vote. Any resolution in the meeting must be passed by more than half of the members.

Article 21 The Nomination Committee, when necessary, may invite other directors, supervisors and senior management of the Company and other related individuals to attend the meeting as guest(s), provided that individuals who are not a member of the Nomination Committee are not entitled to vote for any resolutions.

Article 22 Where the Nomination Committee is in a discussion concerning any member, such member shall abstain from such topic as and when appropriate.

Article 23 The procedures of convening a meeting, ways of voting, and the passing of resolutions of the Nomination Committee must comply with relevant laws, administrative regulations, the Articles of Association and these rules of work.

Article 24 Minutes shall be taken for the meeting of the Nomination Committee and the members attending such meeting shall sign on the minutes thereof. The minutes shall be kept by the secretary of the board of directors with a period of deposit not less than ten (10) years during perpetual existence of the Company.

Article 25 The matters to be resolved at the meeting of the Nomination Committee include the followings:

- (1) The date and venue of the meeting and the name of convener(s);
- (2) The number of members should have attended and have actually attended the meeting;
- (3) The interpretation of legitimacy of related procedures and resolutions of the meeting;
- (4) The interpretation of contents and voting result of the resolutions considered and resolved at the meeting;
- (5) Other particulars which shall be interpreted and recorded in the resolutions.

Article 26 Each member or guest attending the meeting is obliged to keep the business discussed confidential and shall not disclose any information thereof.

Chapter 6 Supplementary Provisions

- Article 27** These rules of work will become effective on the date when the resolution is passed by the board of directors.
- Article 28** Any matter not covered by these rules of work shall be complied with relevant laws and regulations of the State and the Articles of Association. In case of any discrepancy between these rules of work and the laws, administrative regulations of the State or the Articles of Association as duly and legally amended, the relevant laws and regulations of the State and the Articles of Association shall prevail while immediate amendments shall be submitted to the board of directors for consideration and approval.
- Article 29** These rules of work shall be interpreted by the board of directors of the Company.

Attachment: Template of written authorization

Capinfo Company Limited
February 2012

Attachment

Template of Written Authorization

To the nomination committee of the board of directors of Capinfo Company Limited,

I am unable to attend the _____ meeting of the nomination committee of the _____ term of the board of directors to be convened on _____ in person.

I hereby appoint Mr./Ms. _____ as my proxy to attend this meeting of the nomination committee and vote (for, against or abstain from voting) each resolution and sign any relevant meeting document on my behalf.

Signature of Appointer

Signature of Appointee

Date