

瀋陽公用發展股份有限公司

Shenyang Public Utility Holdings Company Limited

(Incorporated in the People's Republic of China with limited liability)

(Stock Code: 747)

TERMS OF REFERENCE OF NOMINATION COMMITTEE (the Committee)

1 Constitution

1.1 The Committee was formed pursuant to be the Board resolution of Shenyang Public Utility Holdings Company Limited (the Company) passed on 13 February 2012.

2 Membership

2.1 Members of the Committee must be appointed by the Board. The Committee shall comprise a minimum of three members, and the majority of the members are independent non-executive directors. Members of the Committee shall meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

2.2 The Chairman of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an Independent Non-Executive Director in the Committee.

3 Secretary

3.1 The Company's company secretary shall be the Secretary of the Committee.

3.2 In the absence of the Secretary, the members present at the meeting of the Committee shall elect any member present or any person present to take minutes for the meeting.

4 Meetings

4.1 The Committee shall meet at least twice every year, or more frequently if circumstances require.

4.2 A meeting of the Committee may be convened by any of its members, or by the Secretary at the request of any of the members of the Committee.

4.3 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication. A member in his or her absence due to any reason may authorize other members of the Committee to attend the meeting in written form, and the scope of the authority should be specified.

4.4 Meetings of the Committee shall be held with at least two-thirds of the members present, and only the members of the Committee may vote at meetings. In passing the resolutions of the Committee meetings, a majority of the members present and voting shall be required.

- 4.5 The Secretary of the Committee shall prepare and keep the minutes of meetings. Both the draft and the final minutes shall be sent to the members of the Committee for their review and records within a reasonable time after the conclusion of the meeting. The minutes of meetings shall be made available for inspection by any director of the Company.

5 Authority

- 5.1 The Committee is authorized by the Board to determine the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship and shall be provided with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company where necessary.
- 5.2 The Committee shall have full access to management and may invite members of management or others to attend its meetings. The Committee will consult the chairman and/or chief executive officer of the Company about their proposals relating to the selection and appointment of directors.

6 Duties

- 6.1 To review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 6.2 To develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- 6.3 To identify individuals who are qualified/suitable to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 6.4 To assess the independence of independent non-executive directors to determine their eligibility; and
- 6.5 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.
- 6.6 Other matters authorized by the Board.

7 Reporting Procedures

- 7.1 The Committee shall report to the Board regularly.