

CHINA RISUN GROUP LIMITED

中國旭陽集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1907)

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

ESTABLISHMENT

1. The nomination committee (the “**Nomination Committee**”) of China Risun Group Limited (the “**Company**”) was established by resolution of the board of directors of the Company (the “**Board**”) on September 29, 2018.

PURPOSE

2. The purpose of the Nomination Committee is to identify and recommend to the Board appropriate candidates to serve as directors of the Company (“**Directors**”), to evaluate the structure and composition of the Board, as well as to develop, recommend to the Board and monitor nomination guidelines for the Company.

MEMBERSHIP

3. The members of the Nomination Committee (the “**Members**”) shall be appointed by the Board from time to time and shall consist of not less than three Directors, a majority of which shall be independent non-executive Directors.
4. Appointments to the Nomination Committee shall be for a period of up to three years, which may be extended by the Board provided that a majority of the Members remain independent non-executive Directors.
5. The Board shall appoint one Member who is also an independent non-executive Director, or the chairman of the Board, as the chairman of the Nomination Committee (the “**Chairman**”).
6. The company secretary of the Company shall be the secretary (the “**Secretary**”) of the Nomination Committee.

MEETINGS

7. The Nomination Committee shall meet at least once annually, or more frequently if circumstances require. The Chairman shall convene a meeting upon request by any Member.

8. The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
9. An agenda and other relevant documents should be sent in full to all Members in a timely manner and at least three days before the intended date of a meeting of the Nomination Committee (or such other period as may be agreed by its Members).
10. Meetings of the Nomination Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the articles of association of the Company, as amended from time to time.
11. Minutes of meetings of the Nomination Committee shall be prepared by the Secretary and sent to all Members as soon as practicable and within a reasonable time after the conclusion of the meeting. Minutes of meetings of the Nomination Committee shall record the names of the Members present at each meeting of the Nomination Committee, as well as in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Members or dissenting views expressed. The minutes shall also be made available for inspection on reasonable notice by any Director.

AUTHORITY

12. The Nomination Committee is authorised by the Board to perform any activity within these terms of reference, including without limitation the determination of the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship.
13. The Nomination Committee 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. The Nomination Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of engagement for any external party who advises the Nomination Committee.
14. The Nomination Committee shall have full access to management and may invite members of management or others to attend its meetings. All employees of the Company are directed to cooperate with any information request made by the Nomination Committee.
15. The Nomination Committee will consult the chairman and/or chief executive of the Company about their proposals relating to the selection and appointment of Directors.

DUTIES

16. The Nomination Committee shall perform the following duties:

- (a) review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- (c) in identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) use open advertising or the services of external advisers to facilitate the search, consider candidates from a wide range of backgrounds with the Company's board diversity policy in mind, and consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (d) identify individuals who are suitably qualified to become Directors and make recommendations to the Board on the selection of individuals nominated for directorships;
- (e) assess the independence of independent non-executive Directors to determine their eligibility;
- (f) keep under review the leadership needs of the Company and its subsidiaries, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- (g) make recommendations to the Board on the appointment, re-election and removal of Directors and succession planning for Directors, in particular, the chairman and the chief executive of the Company, taking into account the strategic and commercial challenges and opportunities faced by the Company and the skills and expertise needed by the Company in the future;
- (h) consider and assess the performance of the Board and consider such performance against the boards of comparable companies; and
- (i) monitor the implementation of, and review, the board diversity policy of the Company, report annually in the Corporate Governance Report on the Board's composition under diversified perspectives and the progress on achieving the objectives of the Nomination Committee.

REPORTING PROCEDURES

17. Without prejudice to the generality of the duties of the Nomination Committee set out in these terms of reference, the Nomination Committee shall report to the Board on a regular basis on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
18. The Nomination Committee shall make a statement in the annual report about its activities, the process used to make appointments and whether external advice and/or open advertising was used.
19. The Nomination Committee shall evaluate its own performance, these terms of reference and its membership annually to ensure it is performing its duties effectively, and recommend to the Board any changes it considers necessary.
20. The Chairman or his duly appointed delegate shall attend the Company's annual general meetings and respond to any questions from the shareholders of the Company on the Nomination Committee's activities.

TERMS AVAILABLE

21. The Nomination Committee shall make available these terms of reference on request and by inclusion on the websites of the Company and The Stock Exchange of Hong Kong Limited in order to explain its role and authority delegated to it by the Board.

Hong Kong, March 14, 2019