



Tianjin Capital Environmental Protection Group Company Limited
天津創業環保集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1065)

THE IMPLEMENTATION RULES OF THE NOMINATION COMMITTEE UNDER THE BOARD

(amended on 22 MARCH 2012)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to standardize the selection of Directors and senior management of the Company, optimize the composition of the board (the “Board”) of Directors (the “Directors”) of the Company and perfect the Company’s governance structure. The Company sets up the Nomination Committee (the “Committee”) under the Board and formulates these Implementation rules (“Implementation Rules”) in accordance with the Company Law of the People’s Republic of China, Code of Governance for Listed Companies, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Articles of Association of the Company (“Articles of Association”) and other relevant regulations.

Article 2 The Nomination Committee under the Board is a body specifically set up by the Board, mainly responsible to study and advice on the candidates of Directors and senior management of the Company, the selection criteria and procedure.

CHAPTER 2 COMPOSITION

Article 3 The Nomination Committee shall comprise five Directors, a majority of which shall be independent non-executive Directors.

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

Article 5 The Nomination Committee shall have one chairman, who shall be acted by an independent Director member and shall be responsible for preside over the Committee; the chairman shall be nominated by the members of the Committee and shall be reported to the Board for approval.

Article 6 The term of office of the Nomination Committee shall be one year, and its members will be deemed as re-elected if the Board does not make adjustment upon the expiry of its term of office. The Board reserves the right of make adjustment to the members of the Nomination Committee at any time. If any member no longer maintains the position as a Director of the Company during his/her term of office, he/she shall automatically lose the qualifications as a member, and the vacancy shall be filled by the Board in accordance with the provisions of the procedural rules herein.

Article 7 The secretary to the Board shall act as the secretary of the Nomination Committee and shall be responsible for day-to-day communication and organizing meetings.

CHAPTER 3 TERMS OF REFERENCE

Article 8 To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least once every year and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

Article 9 To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

Article 10 To assess the independence of independent non-executive Directors;

Article 11 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 general manager;

Article 12 To examine and check the particulars of the candidates for the offices of senior management whose appointment shall be submitted and approved by the Board, and submit relevant proposals;

Article 13 Other matters authorized by the Board.

Article 14 The Nomination Committee shall report to the Board. Resolution of the Nomination Commission shall be submitted to the Board and be implemented upon approval by the Board after consideration;

Article 15 In nominating the candidate for a Director by a Shareholder who individually or jointly hold 10% or above of the issued Share of the Company, or in nominating the candidate for an independent non-executive Director by a Shareholder who individually or jointly hold 1% or above of the issued Share of the Company, shall provide the qualifications and other materials of such candidate to the Nomination Committee for review and approval prior to the candidate's election on the general meeting. Shareholders and the controlling Shareholders shall fully respect the recommendation of the Nomination Committee unless they have substantial grounds, otherwise, they cannot be included in the resolution procedure at the general meeting.

CHAPTER 4 DECISION MAKING PROCEDURES

Article 16 The Nomination Committee shall study the qualification criteria, selection procedure and terms of office of a proposed Director or senior manager pursuant to the actual situation of the Company and relevant applicable laws and regulations and the Articles of Association. After a resolution is made, it shall be filed for the record and reported to the Board for approval and implementation.

Article 17 For the procedure of selecting Directors and senior management:

- (I) the Nomination Committee shall actively communicate with the relevant departments of the Company to review the demand for new Directors and senior management and to prepare the written reports;
- (II) the Nomination Committee may carry out extensive search for the candidates of Directors and senior management within the Company and its holding (associated) companies and on the recruitment market;
- (III) to obtain the information of the occupation, education background, job title, detailed working experience and part-time positions of the proposed candidates and to prepare the written reports;

- (IV) to seek the consent of the proposed candidates for nomination, otherwise he/she shall not be put on the list of candidates of Directors and senior management;
- (V) to convene the meeting of the Nomination Committee and to review the qualification of proposed candidates according to the job qualifications required for a Director and senior management;
- (VI) to put forward the recommendation and relevant materials to the Board within 15 days prior to the election of new Directors and the appointment of new senior management;
- (VII) to conduct follow-up work according to the decision and feedbacks of the Board.

CHAPTER 5 RULES OF PROCEDURES

Article 18 The Nomination Committee shall be held at least one meeting each year. The Committee shall give notice to all members of the Committee seven days before the date of meeting. The meeting shall be presided over by the chairman. In case that the chairman is unable to attend, he/she shall authorize another member to preside over the meeting.

Article 19 The meeting of the Nomination Committee shall not be held unless two-thirds of members are present. Each member shall have one vote and the resolutions of the meeting must only be adopted by the affirmative votes of a majority of the members.

Article 20 The meeting of Nomination Committee shall vote by a show of hands or by a poll. The meeting may be held by way of voting by correspondence.

Article 21 The Directors, supervisors and other senior managers may be invited by the Nomination Committee to attend its meeting, when necessary.

Article 22 If necessary, the Nomination Committee may invite external parties with relevant professional experience and expertise to attend such meetings. The cost shall be borne by the Company.

Article 23 The convening procedure and voting method of the meeting of the Nomination Committee and the resolutions passed at such meetings shall comply with requirements of the relevant laws, regulations, Articles of Association and this Implementation Rules.

Article 24 The Nomination Committee shall keep the minutes of its meetings, and members present at the meeting shall sign on the minutes which shall be kept by the secretary to the Board of the Company.

Article 25 Resolutions passed by and voting results of the meeting of, the Nomination Committee shall be reported in written to the Board of the Company.

Article 26 Personnel present at the meeting shall be obliged to keep all matters discussed in such meetings confidential, and shall not disclose any relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 27 This Implementation Rules shall be effective on the date when it was approved on the Board meeting.

Article 28 For the matters which are not covered by the Implementation Rules, they shall be executed in accordance with the relevant laws and regulations of the PRC and the Articles of Association. Where there is a conflict between the Implementation Rules and the laws and regulations promulgated by the PRC government in future or the Articles of Association amended through valid procedure, the laws and regulations so issued in China and the Articles of Association so amended as well as other relevant requirements shall prevail, and the Implementation Rules shall be revised and reported to the Board for consideration and approval in a timely manner.

Article 29 The right of interpretation of these Rules shall be vested in the Board of the Company.

These Rules have both Chinese and English versions, the English version is for reference only. Should there be any discrepancy between the two versions, the Chinese version shall always prevail.