Shanghai Dazhong Public Utilities (Group) Co., Ltd.
Terms of Reference of the Nomination Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to further establish and enhance the selection criteria and procedures of the directors and senior management of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (hereinafter referred to as the "**Company**"), and to improve its corporate governance structure, the Company established the Nomination Committee of the board of directors (the "**Board**") and formulated these rules of procedures in accordance with the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, the Articles of Association of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Listing Rules**"), as well as the provisions of other relevant laws, administrative regulations, departmental rules and regulatory documents.

Article 2 As a specific working body established by the Board in accordance with the Articles of Association, the main responsibilities of the Nomination Committee are to review the selection procedures, criteria and qualification of the directors and senior management of the Company and make recommendations to the Board.

Article 3 The Company shall provide necessary working conditions and engage professionals or organizations to handle daily operation including liaison, organization of committee meetings, preparation of materials and documentation for the Committee. The management and relevant departments of the Company shall provide supports to the Nomination Committee upon the performance of its duties.

Chapter 2 Composition

Article 4 The Nomination Committee shall be comprised of three directors, with a majority of independent non-executive directors.

Article 5 The members of the Nomination Committee shall be nominated by the chairman of the Board or not less than one third of all directors for election by the Board.

Article 6 The Nomination Committee shall have a chairman who shall be the chairman of the Board or an independent non-executive director, and be in charge of the work of the Nomination Committee.

Article 7 The term of office of the members of the Nomination Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company or ceases to have the independence as set out in the Articles of Association and the Listing Rules during his/her term of office, he/she shall immediately cease to be a member of the Committee. The vacancy shall be filled up by the Board in accordance with the Article 3 to Article 5 above.

Article 8 The Nomination Committee shall establish working group which is responsible for day-to-day liaison and organization of committee meetings. The members of the working group do not need to be the member of the Nomination Committee.

Chapter 3 Powers and Duties

Article 9 The major powers and duties of the Nomination Committee include:

(1) to study and propose the criteria and procedures for selecting candidates for directors, managers and other senior management appointed by the Board;

(2) to identify qualified candidates;

(3) to review and make recommendations on candidates;

(4) to make recommendations to the Board on the appointment and re-appointment of directors and succession planning of directors, in particular the chairman and managers;

(5) to assess the independence of the independent non-executive directors;

(6) to review the structure, size and composition (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;

(7) address other matters as authorized by the Board.

Article 10 The Nomination Committee shall be accountable to the Board. Any proposals of the Nomination Committee shall be submitted to the Board for consideration and approval.

All cases, materials and information considered and discussed by the Nomination Committee shall be made available to the Board for its study and decision in the form of report, recommendation or summary.

Chapter 4 Procedures

Article 11 The Nomination Committee shall study the selection criteria, selection procedures and term of office of the directors and senior management of the Company in accordance with provisions of relevant laws, administrative regulations, other regulatory documents, the Articles of Association and the Listing Rules and taking into account the actual conditions of the Company, formulate resolutions and submit the same for Board approval and implement accordingly.

Article 12 The selection procedures for directors and senior management shall be as follows:

(1) the Nomination Committee shall proactively exchange views with relevant departments of the Company to study the need of the Company for new directors and senior management, and formulate written materials;

(2) the Nomination Committee may identify candidates for directors, managers and other senior management among employees of the Company, holding (investee) companies and in the open recruitment market;

(3) information including the profession, education, job titles, detailed work experience and all part-time jobs etc. of the preliminary candidates shall be collected, and written materials shall be formulated;

(4) the nominee's consent to nomination shall be sought, failing which such nominee shall not be named as a candidate for directors and senior management;

(5) a meeting of the Nomination Committee shall be convened, at which qualification assessment of the preliminary candidates shall be carried out based on the terms of appointment for directors and senior management;

(6) the Committee shall submit its recommendations for candidates for directors and newly appointed senior management together with relevant materials to the Board 10 days prior to the election of new directors and appointment of new senior management;

(7) other subsequent tasks to be undertaken pending on the decision and feedback of the Board.

Article 13 The Nomination Committee may engage intermediary firms to provide professional advices on its decisions where necessary at the expense of the Company.

Chapter 5 Rules for Procedures

Article 14 Meetings of the Nomination Committee shall be held at least once a year and a notice shall be given to all members of the committee three days prior to the convening of a meeting. The meeting shall be convened and presided over by the chairman. In the event that the chairman is unable or refuses to be present at the meeting, he/she shall designate another member of the Committee, who shall be an independent non-executive director, to act on his/her behalf. An extraordinary meeting may be held any time when the chairman of the Nomination Committee considers necessary or when proposed by at least half of the members of the Committee.

Article 15 A meeting of the Nomination Committee shall not be held unless attended by at least two members (including members who entrust other members to attend such meeting in writing). Each member shall have one vote and the resolutions passed at the meeting must be approved by a majority of all members of the Committee.

Article 16 The voting of the Nomination Committee shall be taken by registered vote.

Article 17 Members of the working group may attend the meeting of the Nomination Committee. The Nomination Committee may invite directors, supervisors and senior management of the Company to attend its meetings if necessary.

Article 18 The procedures for convening a meeting of the Nomination Committee, the voting method and the resolutions passed at such meeting shall be in compliance with the provisions of relevant laws, administrative regulations, other regulatory documents, the Articles of Association, the Listing Rules and these terms of reference.

Article 19 The Nomination Committee shall keep minutes of its meetings. Members of the Committee who attend the meeting shall sign their names on the minutes. The secretary to the Board shall keep the minutes of the Committee meetings.

Article 20 Resolutions passed and any voting results taken at the meeting of the Nomination Committee shall be reported in writing to the Board of the Company.

Article 21 Members of the Committee and persons attending the meeting shall undertake confidentiality obligations for all items discussed at the meeting and shall not disclose any relevant information without permission.

Chapter 6 Board Diversity Policy

Article 22 When performing relevant duties, the Committee shall consider the board diversity policy as stipulated in these terms of reference. The Committee is responsible for monitoring the implementation of the policy, and will review and amend the policy, as appropriate, to ensure its effectiveness.

Article 23 When reviewing the size and composition of the Board, identifying and recommending candidates for directors, the Committee shall, taking into account the business model and specific needs of the Company, consider board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate appointment recommendation shall be made to the Board by the Committee based on merit and contribution that the selected candidates will bring to the Board after taking into account the relevant aspects mentioned above.

Chapter 7 Supplemental Provisions

Article 24 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

Article 25 These terms of reference were considered and approved by the Board of the Company and shall become effective from the date on which the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

Article 26 Any matters not covered by these terms of reference shall be implemented in accordance with the provisions of relevant laws, administrative regulations, other regulatory documents of the PRC (including Hong Kong) and the Articles of Association. In the event that these terms of reference are inconsistent with the laws, administrative regulations, other regulatory documents of the PRC (including Hong Kong), the Articles of Association or the Listing Rules amended from time to time, such relevant laws, administrative regulations, other regulatory documents of the PRC (including Hong Kong), the Articles of Association and the Listing Rules shall prevail and these terms of reference shall be amended forthwith and submitted to the Board of the Company for consideration and approval.

Article 27 In these terms of reference, the meaning of "no less than" and "at least" includes the number itself, while "less than" and "more than" excludes the number itself.

Article 28 These terms of reference shall be formulated and amended by the Board, the interpretation of which shall be vested in the Board.