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**ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

**Implementation Rules  
and Regulations of  
the Nomination Committee**

**(Adopted by the board resolution dated 29 March 2012 and  
amended by the board resolutions dated 11 October 2013 and 26 March 2019  
to take effect from 1 January 2019)**

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# **ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

## **Implementation Rules and Regulations of the Nomination Committee**

**(Adopted by the board resolution dated 29 March 2012 and amended by the board resolutions dated 11 October 2013 and 26 March 2019 to take effect from 1 January 2019)**

### **CHAPTER 1 GENERAL PROVISIONS**

- Article 1 In order to further establish a sound management system for the nomination of directors and senior management members of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”), to ensure that the board members of the Company possess the skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business and to improve the Company’s corporate governance structure, the Company specifically established the Nomination Committee of the board and formulated these Implementation Rules and Regulations in accordance with, among others, the Company Law of the People’s Republic of China (the “Company Law”), the Opinions on Further Standardizing Operations and Reform of Companies Listed Outside the PRC (the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies Seeking a Listing Outside the PRC (the “Mandatory Provisions”) and other related laws and administrative regulations, the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “Articles of Association”) and the applicable rules of the stock exchange(s) on which the securities of the Company are listed (“Listing Rules”).
- Article 2 The Nomination Committee is a body specifically established by the board in accordance with the resolution of the shareholders’ meeting, and is mainly responsible for researching, reviewing and advising on the candidates for the directors and senior management of the Company, and the relevant selection criteria and procedure. The Committee is accountable to the board.
- Article 3 For the purpose of these Implementation Rules and Regulations, directors shall mean the chairman of the board, vice chairman of the board and directors who receive remuneration from the Company; senior management members shall mean the general manager and the secretary to the board appointed by the board, and the other senior management members nominated by the general manager and so approved by the board.

### **CHAPTER 2 MEMBERSHIP**

- Article 4 The Nomination Committee shall be composed of three or more directors, more than half of whom shall be independent non-executive directors.
- Article 5 The members of the Nomination Committee shall be nominated by the chairman of the board or more than half of the independent non-executive directors or one-third of all directors and be elected by the board.

Article 6                   The Nomination Committee shall have a chairman who must be the chairman of the board or an independent non-executive director and shall take charge of the Nomination Committee’s work. The chairman of the Nomination Committee shall be elected from the chairman of the board and/or independent non-executive directors who are serving as members of the Nomination Committee, and the election of which shall become effective after the result has been reported to, and approved by, the board.

Article 7                   The term of office of a Nomination Committee member shall be consistent with his term as director. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to be a director of the Company during the term or a member in the capacity of an independent non-executive director ceases to be independent as required under the Listing Rules, his membership shall be terminated automatically and the replacement shall be appointed by the Nomination Committee in accordance with Articles 4 to 6 above.

Article 8                   The Nomination Committee has a working team under it. The working team is specifically responsible for providing information related to the operation of the Company and information with respect to the nominees, and for the preparation of the meetings of the Nomination Committee as well as for the implementations of the relevant resolutions of the Nomination Committee.

**CHAPTER 3   DUTIES AND AUTHORITIES**

Article 9                   The principal duties and authorities of the Nomination Committee are:

- (1)   based on the Company’s operation, asset size and shareholding structure, review the structure, scale, size, composition, membership diversity (in terms of, including but not limited to, sex, age, culture and education background, race, professional experience, skills, knowledge and term of service and any other factors that the board may consider relevant and applicable from time to time) of the board at least annually and make recommendations on any proposed changes to the board to complement the Company’s corporate strategies;
- (2)   study and make recommendations to the board regarding the selection criteria and the selection procedure for directors and senior management members;
- (3)   identify suitable qualified candidates to become board members (and senior management members), and select and nominate the relevant person for appointment as a director (and senior management member) or make recommendations to the board on such matter. When identifying suitable candidates, the Nomination Committee shall comply with the principle of meritocracy, consider the strengths of the relevant candidates, the contributions they can make to the board and give due consideration to the benefits of membership diversity in objective terms;

- (4) based on the Company's corporate strategies and future requirements in terms of skills, knowledge, experience and diversified composition, make recommendations to the board on the appointment or re-appointment of directors and senior management members and the succession planning for directors and senior management members, in particular the chairman of the board and the general manager;
- (5) inquire into, and review, the candidates for directors and senior management members and make recommendations to the board in relation thereto; when making recommendations to the board on the appointment of an independent non-executive director, take into account the process used for identifying that person, the reasons for the appointment, why it considers the person to be independent, and the reasons for the person to be able to devote sufficient time to perform the duties of a director, the perspectives, skills and experience that the person can bring to the board, and how the person would contribute to diversity of board members;
- (6) inquire into, and review, the candidates of other senior management members whose appointments must be submitted to the board for approval and make recommendations to the board in relation thereto;
- (7) assess the independence of the independent non-executive directors, review the annual written confirmations of the independent non-executive directors with respect to their independence, and confirm in the Company's annual reports whether the Company has received such written confirmations and whether the Company still considers the independent non-executive directors to be independent;
- (8) develop the nomination system, and supervise the implementation of the Company's nomination system;
- (9) review the board diversity policy under appropriate circumstances, and review the measurable objectives and progress of attainment set by the board for implementation of the board diversity policy, and disclose the review result in the Corporate Governance Report annually; and
- (10) other matters as prescribed by applicable laws, regulations, the Articles of Association, the Listing Rules and as authorized by the board.

Article 10           The board has the power to veto the nominee whom it reasonably believes may impair the interests of the shareholders.

Article 11           Proposal of a director nomination from the Nomination Committee must not be implemented unless it has been approved by the board and is in accordance with the requirements of the Articles of Association (to be reviewed and approved in a shareholders' meeting if necessary). The proposal on nomination of senior management members must be reported to, and approved by, the board.

## **CHAPTER 4 NOMINATION POLICY AND DISCLOSURE**

- Article 12            Articles 1, Articles 9 to 11, Chapter 4 and Chapter 5 of these Implementation Rules and Regulations constitute the nomination policy of the Company.
- Article 13            The Company's nomination policy shall be disclosed in accordance with the requirements of the Listing Rules.
- Article 14            The Nomination Committee is responsible for implementing the Company's nomination policy.
- Article 15            The Nomination Committee shall review the nomination policy from time to time to ensure that the nomination policy caters to the needs of the Company.
- Article 16            The Company shall disclose in the Corporate Governance Report contained in the annual reports prepared under the Listing Rules:
- (1)    The relevant nomination policy to be implemented by the Nomination Committee during the relevant year, including the nomination procedures and the selection and recommendation criteria adopted by the Nomination Committee for director candidates during the relevant year; and
  - (2)    The board diversity policy or its summary, including any measurable objectives set for implementing the board diversity policy and progress made towards achieving these measurable objectives.

## **CHAPTER 5 DECISION-MAKING PROCEDURES**

- Article 17            The working team under the Nomination Committee shall be responsible for the preliminary preparations for the Nomination Committee's decision making, and provides the related information:
- (1)    to conduct an extensive search for the candidates of directors and senior management members within the Company and its holding companies (or companies in which the Company has shareholdings), the talents market as well as other channels;
  - (2)    to obtain information regarding the occupation, educational background, job title, detailed working experience of the proposed candidates and all the positions that they hold concurrently including part-time jobs and produce relevant written materials;
  - (3)    to provide information with respect to completion of the main financial targets and business objectives of the Company; and
  - (4)    the allocation of the scope of work among the senior management members of the Company and the information on their main duties.

Article 18 The selection procedure of directors and senior management members by the Nomination Committee:

- (1) to actively exchange views with the relevant departments of the Company and consider the Company’s needs for new directors and senior management members;
- (2) to seek the consent from the nominees on their nominations. If the nominee refuses to be nominated, he or she shall not be the nominees for directors and senior management members;
- (3) to convene meetings of the Nomination Committee, consider the qualifications of the preliminary candidates based on the qualifications required for directors and senior management members;
- (4) to submit proposals on the candidates for directors and senior management members together with relevant written materials to the board; and
- (5) to conduct other follow-up work according to the decision and feedback of the board.

**CHAPTER 6 RULES OF PROCEDURE**

Article 19 The Nomination Committee shall hold meeting(s) at least once every year. All members of the Nomination Committee shall be notified five (5) days prior to any meeting. The meetings of the Nomination Committee shall be chaired by the chairman of the Nomination Committee. If the chairman of the Nomination Committee is unable to attend the meeting, he or she may appoint a member who is an independent non-executive director to chair the meeting.

Article 20 The meetings of the Nomination Committee shall be held only with the presence of over two-thirds of the members. Each member shall be entitled to one vote. The resolutions made at the meetings must be approved by more than half of the members.

Article 21 At the meetings of the Nomination Committee, voting shall be made by a show of hands or by casting of votes. Meetings may take the form of telephone conference or be conducted through other similar communication devices and as long as the members participated can hear each other clearly, all members participated shall be deemed to have attended such meetings in person. In addition, meetings can also be convened and resolutions thereat be made by way of communication.

- Article 22 The members of the Nomination Committee shall attend meetings of the Committee in person. Under extraordinary circumstances where a member is unable to attend a meeting in person, an instrument of proxy signed by the member may be submitted to appoint other members of the Nomination Committee to attend the meeting and exercise the relevant powers. The instrument of proxy shall contain, among other things, the name of the authorizing member, scope of authorization, authorized permission and authorized period. Each member shall not accept authorizations from more than two members at the same time.
- Article 23 Directors, supervisors and other senior management members of the Company may be invited to attend meetings of the Nomination Committee as observers if necessary.
- Article 24 The Company shall provide the Nomination Committee with sufficient resources to perform its duties. If necessary, the Nomination Committee may appoint intermediaries to provide independent professional advice for its decision making and the costs and expenses shall be borne by the Company.
- Article 25 Where an issue involving the interest of any member of the Nomination Committee is discussed by the Nomination Committee, the relevant person shall not participate in and shall abstain from voting on such issue, and the number of votes represented by such person shall not be counted in the total number of effective votes.
- Article 26 The convening procedure and voting method of the meetings of the Nomination Committee and the nominations passed by resolutions at such meetings shall comply with the provisions of relevant laws, regulations, the Articles of Association, these Implementation Rules and Regulations and the Listing Rules.
- Article 27 The Nomination Committee should keep minutes for their meetings. The members of the Nomination Committee who attended the meeting should sign on the minutes. The minutes of the meetings shall be kept by the secretary to the board.
- Article 28 Resolutions passed by and voting results of the meetings of the Nomination Committee shall be reported to the board in writing.
- Article 29 The Nomination Committee shall report the implementation and progress of work for the previous year to the board in the first board meeting of every year.
- Article 30 Members present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose the relevant information without authorization.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

- Article 31            These Implementation Rules and Regulations shall come into effect on the date on which these Implementation Rules and Regulations were approved by a board resolution (“Rules Effective Date”). The terms and conditions as amended from time to time shall become effective on the date specified in the relevant board resolution.
- Article 32            Any matters not covered by these Implementation Rules and Regulations shall be implemented in accordance with the provisions of the relevant laws and regulations of the PRC, the Listing Rules and the Articles of Association. Should these Implementation Rules and Regulations conflict with the relevant laws and regulations of the PRC or the Listing Rules coming into effect after the Rules Effective Date or the Articles of Association amended through lawful procedures and implemented subsequently and coming into effect after the Rules Effective Date, the relevant laws and regulations of the PRC, the Listing Rules and the Articles of Association which come into effect after the Rules Effective Date shall prevail, and these Implementation Rules and Regulations shall be revised immediately and the revision shall be reported to the board for consideration and approval.
- Article 33            The power to interpret these Implementation Rules and Regulations is vested in the board.