



北控水務集團有限公司

BEIJING ENTERPRISES WATER GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

(the “Company”)

Terms of Reference for Nomination Committee

(effective on 30 March 2012)

1. Membership

- (a) The Company shall establish a nomination committee comprising non-executive directors and executive directors who shall be appointed by the board of directors of the Company (“the Board”).
- (b) The majority of the nomination committee members must be independent non-executive directors.
- (c) The nomination committee must be chaired by the chairman of the Board or an independent non-executive director.
- (d) The Board shall from time to time vary the composition of the nomination committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as modified from time to time (the “Listing Rules”).

2. Authority

- (a) The nomination committee shall report directly to the Board and shall consult the chairman of the Board on their proposals in relation to the selection of individuals nominated for directorships.
- (b) The nomination committee is authorized by the Board to obtain outside independent professional advice in connection with its duties as the Board considers necessary.
- (c) The nomination committee shall be provided with sufficient resources to discharge its duties.

3. Meetings

- (a) The nomination committee shall hold any meetings as and when appropriate.
- (b) The quorum for meetings shall be any two members.
- (c) The nomination committee members shall normally attend meetings either in person or through other electronic means of communication.
- (d) The company secretary shall be the secretary of the nomination committee. In the absence of the secretary of the nomination committee, the members present at such meetings shall elect another person as the secretary of such meetings.
- (e) Resolutions of the nomination committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions.
- (f) Unless otherwise specified herein, the provisions contained in the Company’s Bye-laws for regulating directors’ meetings and proceedings shall apply to the meetings and proceedings of the nomination committee.

4. Duties

The duties of the nomination committee are as follows:-

- (a) 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;
- (b) 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;
- (c) to assess the independence of independent non-executive directors; and
- (d) 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.

5. Reporting Procedures

The secretary shall circulate all minutes of meetings of the nomination committee to all members of the Board.

6. Publication of the terms of reference of the Remuneration Committee

The terms of reference of the remuneration committee (as amended from time to time) will be made available by publishing on the Stock Exchange's website and the Company's website.