



**SANY HEAVY EQUIPMENT INTERNATIONAL
HOLDINGS COMPANY LIMITED**

三一重裝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 631)

(“the Company”)

**The Nomination Committee (the “Committee”)
of the Board of Directors (the “Board”)
Terms of Reference**

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board as its meeting on 5 November 2009.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of at least three members; a majority of whom shall be independent non-executive directors of the Company.

2.2 The Chairman of the Committee shall be appointed by the Board, and shall be the Chairman of the Board of an independent non-executive director of the Company.

2.3 The company secretary of the Company shall be the secretary of the Committee.

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

3. Proceedings of the Committee

3.1 Notice of Meeting:

(a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven days' notice.

- (b) A Committee member may and, on the request of a Committee member, the secretary of the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or facsimile transmission at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be followed by confirmation in writing before the meeting as soon as as possible.
- (d) Notice of meeting shall state the purpose, time and venue of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purpose of the meeting.

3.2 Quorum: The quorum of the Committee meeting shall be two members of the Committee; and majority of members present at the meeting shall be independent non-executive directors.

3.3 Frequency: Meeting shall be organized to convene according to the actual needs, to determine, review and consider nomination procedures regarding the appointment, re-appointment and removal of the Directors of the Company, their implementation during the year and to make recommendations to the Board on candidates for appointment as Directors.

4. Written resolutions

4.1 Written resolutions may be passed by Committee members in writing; however, which shall be agreed by all Committee members.

5. Proxies

5.1 The Committee members may appoint the chairman of the Committee as proxy to attend the meeting; however, members present at the meeting in person shall be no less than two-thirds of the Committee members.

6. The Powers of the Committee

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries(together, the “Group”) and any professional advisers in order to perform its duties, to require any of them to submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;

- (b) to review the performance of the Directors and the independence of independent non-executive directors in relation to their appointment or reappointment as Directors;
- (c) to obtain, at the Company's expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
- (d) to review these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under Section 7 below can be properly discharged.

6.2 The Committee should be provided with sufficient resources to discharge its duties.

7. The responsibilities of the Committee

7.1 The Committee shall discharge the followings duties:

- (a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) 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 individuals nominated for directorships;
- (c) to assess the independence of independent non-executive directors;
- (d) to submit recommendations to the Board on:
 - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
 - (ii) the policy on the terms of employment of non-executive Directors;
 - (iii) the composition of the audit committee, remuneration committee and other board committees of the Company;

- (iv) proposed changes to the structure, size and composition of the Board;
 - (v) candidates suitably qualified to become members of the Board;
 - (vi) the selection of individuals nominated for directorship;
 - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
 - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
 - (ix) relevant matters relating to the appointment, re-appointment of Directors; and
 - (x) succession planning for Directors in particular the chairman and the chief executive officer.
- (e) other matters delegated by the Board.

8. Minutes of the meetings

- 8.1 Full minutes and written resolutions of the Committee meetings shall be kept by the secretary of the Committee.
- 8.2 The secretary of the Committee shall send the draft and final versions of minutes or, as the case may be, the written resolutions to all members of the Committee within a reasonable time after the meeting or before the passing of the written resolutions. Draft version is for members' comments; the final version is for record purpose.
- 8.3 The secretary of the Committee shall archive all minutes of the Committee meetings held during each year, as well as record the individual attendance of Committee members, on a named basis, at meetings held during each year.

9. Continuing application of the Articles of Association of the Company

- 9.1 The Articles of Association of the Company regulating the meeting and proceedings of the directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10. Powers of the Board

10.1 The Board may, subject to compliance with the Articles of Association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules of the Stock Exchange or if adopted by the Company, the Company's own code on corporate governance practices), amend, supplement and revoke these terms of reference and the resolution passed by the Committee at any time provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

11. Reporting procedures

11.1 The secretary of the Committee shall circulate the minutes of the Committee meetings, reports of the Committee and the relevant information to all directors of the Company.

12. Language

If there is any inconsistency between the English and Chinese versions of these terms of reference, the Chinese version shall prevail.