



第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

IMPLEMENTATION RULES FOR THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

(Reviewed and approved at the 14th Meeting of the Fifth Board of Directors Held on
20 August 2010 and amended on 24 February 2012)

CHAPTER 1 GENERAL PROVISIONS

Article 1. In order to regulate the election method of Directors and managers of the First Tractor Company Limited (hereinafter referred to as the Company), optimize the composition of the Board of Directors, and improve the Company's governance structure, the Company shall set up a Nomination Committee of the Board of the Directors and establish these Implementation Rules according to the Company Law of the People's Republic of China (hereinafter referred to as the Company Law), the Governance Guidelines for Listed Companies, the Rules Governing The Listing Of Securities on The Stock Exchange of Hong Kong Limited (Hereinafter referred to as the Listing Rules), the Articles of Association of the Company (hereinafter referred to as the Articles of Association), and other relevant regulations.

Article 2. The Nomination Committee of the Board of Directors is a specialized working committee under the Board of Directors, primarily responsible for studying the candidates of the Company's Directors and managers, the selection criteria and procedures, as well as providing suggestions.

CHAPTER 2: COMPOSITION

Article 3. The Nomination Committee shall consist of three Directors, a majority of which are independent Directors. The chairman of the Board of Directors of the Company shall be an ex-officio member of the Nomination Committee.

Article 4. The members of the Nomination Committee shall be nominated by the chairman of the Board of Directors, more than half of the independent non-executive Directors or one-third of Directors, and appointed by the Chairman of the Board of Directors.

Article 5. The Nomination Committee shall have a chairman (the convener), who shall be an independent non-executive Directors and be responsible for running the Nomination Committee. The chairman shall be elected from the members. The election result shall be reported to the Board of Directors for approval.

Article 6. The terms of office of the Nomination Committee shall be the same as that of Directors. Upon expiry of his term of office, a member of the Nomination Committee may be re-elected and re-appointed. If any member no longer holds the position of a Director of the Company during such period, he will automatically lose his qualification of the Nomination Committee. The Nomination Committee shall determine the new candidates in accordance with the provisions of the aforementioned Articles 3 to 5 hereof.

Article 7. The Nomination Committee shall have a nomination working group, specifically responsible for providing relevant information of the intended nominees,

preparing the Nomination Committee meetings and proposing the nomination proposals. The Nomination Working Group shall consist of the Chairman of the Board of Directors and heads of other key departments, including the human resources department. The Chairman of the Board of the Directors shall serve as the group head.

CHAPTER 3 TERMS OF REFERENCE

Article 8. The duties and powers of the Nomination Committee shall include, but not limited to the following:

- (1) To annually review the structure, size and composition (in respect of skills, knowledge and experience) of the Board of Directors based on the status of business operation, scale of assets and equity structure of the Company, and make recommendations to the Board of Directors on the intended changes of composition of the Board of Directors to match with the Company's strategies;
- (2) To study the standards and procedures of selection of Directors and managers, and make recommendations to the Board of Directors with respect thereto;
- (3) To identify individuals with suitable qualification to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directors;;
- (4) To evaluate and assess the independence of the independent Directors;
- (5) To make recommendations to the Board of Directors on appointment or re-appointment of Directors and the succession planning of Directors (particularly the Chairman and the general manager);
- (6) Other matters as authorized by the Board.

Article 9. The Nomination Committee shall be accountable to the Board of Directors. The Committee's proposals shall be submitted to the Board for consideration and decision. Without sufficient ground or reliable evidence, the controlling shareholders shall fully respect the recommendations made by the Nomination Committee, and no alternative candidates of Directors and managers shall be proposed.

If the views of the nomination working group are inconsistent with the views of the majority of the members of the Nomination Committee, the inconsistent views shall be reported to the Board of Directors for consideration.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 10. The Nomination Committee shall review on the qualification, selection procedure and terms of office of the Company's Directors and managers in accordance with the provisions of relevant laws and regulations and the Articles of Association, with regard to the actual situations of the Company. Resolutions on such matters shall be filed and submitted to the Board of Directors for approval and shall be implemented accordingly.

Article 11. Procedures of selecting Directors and managers:

- (1) The Nominating Committee shall communicate actively with relevant departments of the Company, study the Company's demands on new Directors and managers and develop written materials;
- (2) The Nomination Working Group shall look for Directors and managers candidates within the Company, its subsidiaries and the recruitment market, prepare written materials on the preliminary candidates' profession, education background, job titles, detailed work experiences, all part-time positions, and submit the written materials to the Nomination Committee;
- (3) The Nomination Committee shall be responsible for seeking the consent of the nominee on the nomination. Otherwise, candidates shall not be nominated as a Directors or managers;
- (4) The Nomination Committee shall examine the qualification of candidates nominated by the nomination working group in accordance with the conditions of appointment of Directors and managers; it shall advise the Board of Directors of Directors candidates and new managers and provide relevant materials;
- (5) Any other follow-up works shall be made in accordance with the Board's decisions and feedback.

CHAPTER 5: RULES OF PROCEDURE

Article 12. The Nomination Committee shall notice all members five days prior to the meeting. The meeting shall be chaired by the chairman. When the chairman is unable to attend the meeting, he may appoint another member to chair the meeting.

Article 13. The Nomination Committee meetings shall be held with the attendance of more than two-third of the members. Each member shall have one vote. Resolutions made at the meeting shall be approved by a majority of the members.

Article 14. Voting shall be made at the Nomination Committee meeting by show of

hands or by poll; the interim meetings may be voted by correspondence.

Article 15. If necessary, the Nomination Committee may invite Directors, supervisors, and other senior officers to sit in the meeting.

Article 16. If necessary, the Nomination Committee may engage intermediary institutions or external professionals to provide professional advice for its decision-making. Relevant expenses shall be borne by the Company.

Article 17. The procedures and method of voting of the Nomination Committee meetings and proposals approved at the meetings shall comply with the provisions of relevant laws, regulations, the Articles of Association and these Implementation Rules.

Article 18. Minutes of meeting shall be drafted for meetings of the Nomination Committee, which shall be signed by the members of the Nomination Committee attending the meeting and kept by the Secretary of the Board of Directors.

Article 19. The proposals passed by the Nomination Committee meetings and the result of the voting shall be reported to the Board of Directors of the Company in writing.

Article 20. All members attending the meetings shall keep the issues discussed at the meeting confidential and shall not disclose relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 21. These Implementation Rules shall not exclude the nomination of Directors and managers made by the Chairman of the Board, the shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors in accordance with the provisions of the Company Law and the Articles of Association.

Article 22. Matters not covered by these Implementation Rules shall be handled in accordance with the provisions of relevant laws and regulations of the PRC and the Articles of Association. If any provisions is found to be conflicting with the relevant laws and regulations of the PRC issued in future or the duly amended Articles of Association, the relevant laws and regulations of the PRC and the Articles of Association shall prevail and the relevant provisions shall be revised immediately and reported to the Board of Directors for review and approval.

Article 23. The Board of Directors shall be responsible for the interpretation of these Implementation Rules.

Article 24. These Implementation Rules shall be effective upon the date of review and approval by the Board of Directors. The effectiveness provision shall apply to amendments to these Implementation Rules.

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.