

FIRST TRACTOR COMPANY LIMITED

PROCEDURES OF NOMINATING DIRECTOR CANDIDATES

First Tractor Company Limited ("**Company**") has developed a transparent process of nominating directors to participate in the election. Directors shall be re-elected every three years. Upon being appointed by the Company, directors shall sign a *Service Contract* with the Company prescribing the terms and conditions of the appointment. If any director resigns or is dismissed, the Company shall explain the reason of the resignation or dismissal of such director.

Directors of the Company shall be elected by the general meeting of the shareholders. The election of directors at the general meeting of the shareholders shall be approved by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

The shareholders may elect any person as a director with an ordinary resolution. However, according to the relevant provisions of the Articles of Association of the Company ("**the Articles of Association**"), the total number of elected directors shall not exceed 12. The nomination of director candidates should be submitted by a separate proposal to the general meeting of shareholders for determination.

Any shareholder(s) individually or jointly holding 3% or more of the issued shares of the Company shall have the right to make proposals (including the nomination of directors). The director candidates shall go through election at the general meeting of shareholders after the nomination is reviewed and approved by the board of directors.

Any written notice by a shareholder nominating candidate directors according to the Articles of Association, and the written notice by such candidate accepting the nomination, should be submitted to the Company after the next day when notice of the general meeting of the shareholders is given and no later than 7 days before the commencement of the general meetings of the shareholders.

To facilitate the shareholders' decision making at the general meeting of shareholders, the Company shall include the disclosure of detailed information about the director candidates in the circular sent to shareholders in accordance with the provisions of Rules Governing The Listing Of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") to ensure that shareholders know the candidates to an adequate extent.

Before the commencement of the general meeting of shareholders, each director candidate should make a written commitment, agree to accept the nomination, recognize the genuineness and integrity of publicly disclosed information of such

director candidate, and promises that he/she would earnestly perform his/her duties after being elected.

The nominator of independent directors should seek the consent of the nominees before the nomination. The candidates of the independent directors should meet the requirements of the *Listing Rules* and the relevant provisions of China Securities Regulatory Commission.

Upon receipt of the nomination of directors, the Company shall forward the relevant information to the Nomination Committee for consideration and selection. The nomination committee is responsible for annually reviewing the structure, size and composition (including skills, knowledge, experience and service term) of the Board of Directors and identifying suitable candidates according to the director qualifications, as well as providing suggestions to the Board of Directors and recommendations to the shareholders for consideration. The referential factors the Nomination Committee may consider in the selection process include: due skill, care and diligence, professional and educational background, and time available for performing duties in the Board of Directors / the Committee. At least one independent non-executive director shall have appropriate professional qualifications or enjoy appropriate accounting or related financial management expertise.

*# This document has 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.*