

**The Implementation Rules of the Nomination
Committee of the Board of Director
of
Zhengzhou Coal Mining Machinery Group Co., Ltd.**

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Chapter I General Provisions

Article 1 In order to standardize the generation of leadership of Zhengzhou Coal Mining Machinery Group Co., Ltd. **the Company** , optimize the Board diversity and complete the corporate governance structure, the Company establishes the Nomination Committee of Board of Directors in particular and formulates these implementing regulations in accordance with the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, the *Articles of Association* and other relevant regulations.

Article 2 The Nomination Committee of Board of Directors is a professional committee under the Board of Directors and is mainly responsible for selecting and making suggestions for the candidates and the selection criteria and procedure of the directors and managers of the Company.

(A)

Article 2(A) The directors in these Rules indicate the executive directors, the non-executive directors (if any) and the independent non-executive directors in the Company, and the managers indicate the General Manager, the Vice General Manager, the Secretary of the Board and other higher management submitted by the General Manager and approved by the Board.

Chapter II Composition

Article 3 The Nomination Committee shall consist of three directors and must comprise a majority of independent non-executive directors. The members of the Nomination Committee shall meet the requirements on the membership qualification of this Committee in accordance with relevant laws and the regulations of the PRC and applicable Listing Rules.

14 A.5.1 Article A.5.1 of Appendix 14 of HK Listing Rules
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Article 4 The members of the Nomination Committee shall be nominated by the Chairman of the Board or more than one-half of independent non-executive directors or one-third of all directors and shall be elected by the Board.

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Article 5 The Nomination Committee shall have one chairman, who shall be independent non-executive director and shall be responsible for directing the works of the Committee. The Chairman of the Committee shall be elected from the members and shall be submitted to the Board for consideration and approval.

Article 6 The term of office of the Nomination Committee shall be the same as that of the Board, and the Committee members may be re-selected upon the expiry of the current term of office. If any member ceases to be a director of the Company during his/her term of office, or any member who ought to have the identity of independent non-executive director does not have the independence specified in the *Article of Association* or in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* any longer, he/she shall lose his/her membership qualification automatically, and the vacancy shall be filled by the Committee in accordance with the provisions of Articles 3 to 5 above.

Chapter III Terms of References

Article 7 The major terms of references of the Nomination Committee include:

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to make suggestions on the size and structure of the Board according to the business operation situation, asset size and ownership structure of the Company to the Board;

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to review the structure, size and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least once every year and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

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A.5.2(a)
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to study the selection criteria and procedures of directors and managers and make recommendations to the Board;

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to identify individuals suitably qualified to become directors, taking into consideration the merits of the candidates and having due regard for the benefits of diversity on the Board while bearing in mind the objective criteria at the same time, and select or make recommendations to the Board on the selection of individuals nominated for directorships;

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to search extensively for qualified candidates of directors and managers;

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other matters authorized by the Board.

Article 8 The Nomination Committee shall report to the Board, and the proposal raised by the Committee shall be decided by the Board. The dominant stockholders shall fully respect the recommendations made by the Nomination Committee without mastering sufficient reason or reliable evidence, otherwise the candidates of alternative directors and managers could not be proposed.

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Article 8 (A) The Chairman of the Board shall invite the Chairman of the Nomination Committee or another member of the Committee or failing this his duly appointed delegate in the absence of the Chairman of the Committee to attend the annual general meeting and to be available to answer questions at the annual general meeting.

14 E.1.2 Article E.1.2 of Appendix 14 of HK Listing

Chapter IV Decision-making Procedures

Article 9 The Nomination Committee shall study the election qualifications, selection procedures and employment durations of the directors and managers of the Company in accordance with the provisions in relevant laws and regulations and the Article of Association according to the practical situation of the Company to form the resolution for the record and then submit to the Board for approval and shall implement accordingly.

Article 10 The election procedures of the directors and managers shall include that: (i) the Nomination Committee shall communicate with relevant departments of the Company materials; (ii) the Nomination Committee can search extensively for candidates of directors and managers within the Company or holding (sharing) company(s) and on the talent market and the like; (iii) the information of the primary candidate such as the occupation, the education background, the title, the detailed work experience, all concurrent posts and the like shall be collected to form written material; (iv) the nominee

shall agree the nomination, otherwise he/she will not be considered as the candidate of the director or manager; (v) the Nomination Committee shall convene the meeting to examine the qualifications of the primary candidates according to the job qualifications of the director and the manager; (vi) the Nomination Committee shall submit the recommendations and materials concerning the candidates of the directors and the persons to be selected as new managers to the Board within one to two months before electing new directors and employing new managers; and (vii) the Nomination Committee shall fulfill the follow-up work according to the decision and feedback of the Board.

Chapter V Rules of Procedure

Article 11 All members of the Nomination Committee shall be notified seven days prior to the meetings of the Nomination Committee. The meetings shall be chaired by the Chairman who, if unable to attend the meeting, may appoint another member (being an independent non-executive director) to chair the meeting.

Article 12 The quorum of the meetings of the Nomination Committee shall be two-thirds or more of all its members, each having one vote. Resolutions of the meetings shall be passed by a majority of all members.

Article 13 The way of voting on the meeting of the Nomination Committee is voting by a show hands or voting by ballot; and the interim meeting can be held by communication voting.

Article 14 The directors, supervisors and other higher management of the Company may be invited by the Nomination Committee to attend its meeting as non-voting participants when necessary.

Article 15 The Nomination Committee shall be provided with sufficient resources to discharge its duties, including but not limited to that, if necessary, the Nomination Committee may engage intermediaries to provide professional independent advices on its decisions at reasonable expense of the Company.

Article 16 The convening procedure, voting pattern and the proposals passed in the meeting of the Nomination Committee must follow relevant laws and regulations, the

Articles of Association and the Rules of this procedure.

(A)

Article 16 (A) The topics concerning the interests of the Committee members shall be discussed on the meeting of the Nomination Committee at the evasion of related members.

Article 17 Minutes of meetings shall be kept for the meetings of the Nomination Committee. Members who have attended the meetings shall sign on the minutes of the relevant meetings. Minutes of meetings shall be kept by the Secretary of the Board of the Company.

Article 18 The proposals and voting result passed on the meeting of the Nomination Committee shall be submitted to the Board of the Company in written form.

Article 19 All members who have attended any of the meetings are subject to the obligations of confidentiality on all matters considered at the meetings and shall not disclose any of the relevant information without authorization.

amended, the latter shall bowver and these Rules shall be revised immediately for approval by the Board.

Article 22 The Board of Directors of the Company shall reserve the right to interpret these Rules.

The Board of Directors of
Zhengzhou Coal Mining Machinery Group Co., Ltd.

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