

南京熊猫电子股份有限公司
NANJING PANDA ELECTRONICS COMPANY LIMITED

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

(Stock Code: 00553)

NANJING PANDA ELECTRONICS COMPANY LIMITED
RULES OF PROCEDURE OF THE NOMINATION
COMMITTEE OF THE BOARD OF DIRECTORS

(Amended in March 2012)

Chapter I General Provisions

Article 1

To reasonably regulate the directors and senior management members (including general manager, vice general manager, chief accountant, secretary to the Board of Directors except the supervisors) of Nanjing Panda Electronics Company Limited (the “Company”), optimize the composition of the Board of Directors, improve the Company’s governance structure and encourage the Board of Directors to make scientific and efficient decisions, the Board of Directors of the Company shall, in accordance with the “Company Law of the People’s Republic of China”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association of the Company” and other relevant regulations, set up the Nomination Committee and formulate these Rules of Procedure.

Article 2

The Nomination Committee is a specialized organization established by the Board of Directors, primarily responsible for studying the candidates, selection standards and procedure for the Company’s directors and senior management members, and making recommendations in respect thereof.

Chapter II Composition

- Article 3** The Nomination Committee shall be composed of three to five directors and the majority of the members of the Committee shall be independent non-executive directors.
- 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 all directors, and shall be elected by the Board of Directors.
- Article 5** The Nomination Committee shall have a Chairman, who shall be an independent non-executive director and responsible for presiding over the Nomination Committee. The Chairman shall be nominated by the Chairman of the Board of Directors among the members of the Committee and shall be elected by the Board of Directors.
- Article 6** The members of Nomination Committee shall serve the term of one year. Upon expiration of their terms, their terms of office are deemed to be renewed if the Board of Directors has not made any adjustment. The Board of Directors has the right to adjust the composition of the Committee at any time. Any member of the Committee who ceases to be a director of the Company during his term shall be automatically disqualified as a member of the Committee. The Board of Directors shall, in accordance with these Rules of Procedure, fill up the number of members of the Committee.
- Article 7** The Nomination Committee shall have one secretary-general to be responsible for daily liaison and meeting organization etc.

Chapter III Terms of Reference

Article 8

The Nomination Committee is mainly responsible for:

- (1) reviewing the structure, number and composition (including skills, knowledge and experience) of the Board of Directors at least once a year and making suggestions regarding any changes to be made by the Board of Directors in order to coordinate the Company's strategy based on the Company's operations, asset size and equity structure;
- (2) studying the selection standards and procedure of the Directors and senior management members and making suggestions to the Board of Directors;
- (3) conducting extensive searches for candidates for qualified director and senior management members;
- (4) examining candidates for director and make suggestions;
- (5) examining candidates for senior management members who are required to be approved by the Board of Directors, and making recommendations to the Board of Directors;
- (6) other matters as delegated by the Board of Directors;
- (7) assessing the independence of the independent non-executive directors; and
- (8) making suggestions to the Board of Directors on appointment or reappointment of directors and the succession plan of the directors (in particular the Chairman and CEO).

Article 9

The Nomination Committee shall report to the Board of Directors. The resolutions made by the Nomination Committee shall be submitted to the Board of Directors for approval before implementation;

Where the shareholders independently or jointly holding 5% or more of the issued shares of the Company nominate candidate(s) for director and Board of Supervisors or the shareholders independently or jointly holding 1% or more of the issued shares of the Company nominate candidate(s) for independent non-executive director, the relevant qualifications and other information regarding the candidates shall be provided and, if qualified after the review by the Nomination Committee, shall be submitted to the general meeting for election. The shareholders and controlling shareholders shall, unless with good reasons, fully respect the suggestions of the Nomination Committee; otherwise, it shall not be included in the agenda of the general meeting for review.

Chapter IV Decision-Making Procedure

Article 10

The Nomination Committee shall, in accordance with the relevant laws and regulations and the Articles of Association of the Company and subject to the Company's actual situations, study and draft the requirements, selection procedure and terms of office of the Company's directors and senior management members. Any resolution formed shall be submitted to the Board of Directors for its consideration and approval and to be implemented thereafter.

Article 11

The selection procedure of the directors and senior management members:

- (1) the Nomination Committee shall actively communicate with the relevant departments of the Company, study the demand of the Company for new directors and senior management members and report the same in writing;
- (2) the Nomination Committee may conduct extensive search for candidates for directors and senior management members in the Company, controlling (invested) companies and the recruitment market;

- (3) obtain the candidates' career, education, professional title, detailed working experience and other information regarding part-time job and report the same in writing;
- (4) ask for the consent of the nominated persons on such nomination; otherwise, such persons shall not be a candidate for director or senior management member;
- (5) convene meetings of the Nomination Committee and review the qualifications of candidates based on the requirements for taking office of directors and senior management members;
- (6) make suggestions and submit the relevant information to the Board of Directors on candidates for director and newly employed senior management members fifty (50) days prior to electing new directors or three (3) days prior to employing new senior management members;
- (7) other follow-up tasks based on the decisions and feedback of the Board of Directors.

Chapter V Rules of Procedure

Article 12

The Nomination Committee shall meet at least once a year and notify all the members three (3) days before convening the meeting. The meeting shall be presided over by the Chairman. Where the Chairman is unable to attend, he may authorize other members of the Committee (independent non-executive directors) to preside.

Article 13

The Nomination Committee's meeting may be convened with the attendance of two-thirds or more of its members. Each member of the Committee shall be entitled to one vote and the resolutions adopted in the meeting shall be approved by the majority of all members of the Committee.

- Article 14** In the Nomination Committee’s meeting, members may vote by the show of hands or by poll and, for extraordinary meetings, written resolutions may be accepted in lieu of holding a meeting. The written resolutions may become effective only with the approval of the majority of all members of the Committee.
- Article 15** When necessary, the Nomination Committee may invite the Company’s directors, supervisors and other senior management members to attend its meeting as observers.
- Article 16** The Nomination Committee may seek the professional opinions of the external independent persons and, if necessary, invite the external persons with relevant experience and professional knowledge to attend the meeting. All the expenses thereby incurred shall be borne by the Company.
- Article 17** The convening procedure, the method of voting and the resolutions passed in the meetings of the Nomination Committee shall comply with the requirements of the laws, regulations, Articles of Association of the Company and these Rules of Procedure.
- Article 18** There shall be minutes of the meetings of the Nomination Committee and the members attending the meeting shall sign on the minutes. The meeting minutes shall be kept by the secretary-general of the Nomination Committee.
- Article 19** The resolutions adopted in the meetings of the Nomination Committee shall be reported in writing to the Company’s Board of Directors.
- Article 20** All the members present at the meetings of the Nomination Committee are obliged to keep all the items discussed in the meetings confidential and shall not disclose any relevant information without permission.

Chapter VI Supplementary Provisions

Article 21 The right of interpretation of these Rules of Procedure shall be vested in the Company's Board of Directors.

Article 22 Any matters not mentioned in these Rules of Procedure shall be carried out in accordance with the relevant State laws, administrative regulations, departmental regulations, the Articles of Association of the Company and the Listing Rules of Shanghai Stock Exchange and of Hong Kong Stock Exchange.

In the event of any conflict between these Rules of Procedure and any laws, regulations or departmental regulations subsequently promulgated by the State or the amended Articles of Association of the Company or the Listing Rules as amended from time to time, the latter shall prevail.

Article 23 These Rules of Procedure shall become effective from the date of approval by the Board of Directors.

Board of Directors of Nanjing Panda Electronics Company Limited
March 2012

Note: This Terms of Reference and Rules of Procedures was originally drafted in Chinese, the English translation is for your reference only. In case there is any discrepancy between the Chinese and English version, the Chinese version shall always prevail.