



南海控股有限公司*
NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 680)

Terms of Reference of Nomination Committee

Constitution

1. The Board of Directors (the “Board”) of Nan Hai Corporation Limited (the “Company”) established a committee of the Board known as the Nomination Committee (the “Committee”).

Membership

2. The members of the Committee shall be appointed by the Board from amongst the directors of the Company and the majority of the members of the Committee shall be Independent Non-Executive Directors. A quorum shall be two members.
3. The Chairman of the Committee shall be appointed by the Board.

Attendance at Meetings

4. Other Board members shall have right to attend the meetings of the Committee.
5. The company secretary of the Company shall be the secretary of the Committee.

Frequency of Meetings

6. Meetings shall be held not less than once a year.

Form of Meeting

7. Any member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication means that permits the members participating in the meeting to communicate with each other simultaneously and instantaneously.

Authority

8. The Committee is authorized by the Board from time to time to plan, determine, implement, handle and arrange all activities within its terms of reference.
9. The Committee is authorized by the Board to obtain outside legal, financial or other independent professional advice, and if it is necessary, the Committee may invite any personnel with relevant experience and expertise to attend to the meeting and engage their services for any relevant projects.

** For identification purpose only*

Powers and Authority

10. The Committee shall have the following powers delegated by the Board:
- (a) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (c) to review the board diversity policy (the "Board Diversity Policy") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosure of its review results in the annual report of the Company annually;
 - (d) may assess the independence of independent non-executive directors; and
 - (e) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.

Circulation of Minutes

11. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board of Directors.