



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 Executive 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 Executive Committee (the “Committee”).

Membership

2. The members of the Committee shall be appointed by the Board amongst the Executive Directors and Senior Management of the Company and shall consist of not less than two members. A quorum shall be at least 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. In the event the company secretary is absent from any meeting, the chairman of the Committee meeting shall appoint any other person to fill the casual vacancy of the secretary of the Committee.

Frequency of Meetings

6. Meetings should be held as and when necessary.

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 permit 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) vest with all the general powers of management and control of the daily operations of the Company and its subsidiaries (the “Group”), save and except approval of the Company’s interim and annual reports and accounts, matters constituting notifiable transactions as per the Companies Ordinance, Chapter 32 of the laws of Hong Kong (“Companies Ordinance”) or the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”), or any transactions outside the ordinary and usual course of business of the Group which shall require the Board’s approval;
 - (b) may exercise all such other powers and perform all such other acts as may be exercised and performed by the Board, save and except for those powers that may only be exercised by the Board pursuant to the Companies Ordinance, the Listing Rules or the Company’s Bye-Laws;
 - (c) save and except those matters shall be handled and approved by the Board and those powers shall be exercised by the Board as set out in the above paragraphs (a) and (b), the Committee is empowered to plan, determine, approve, implement, handle, arrange, review and amend all policies, operations and internal control of the Group;
 - (d) shall ensure that the delegation of its powers to senior management is clearly defines, and that a transparent reporting procedure is in place and effectively monitored;
 - (e) may at any time vary, modify or withdraw any delegations to the Committee, or vary, modify or withdraw any decisions or approvals of the Committee when such decisions or approvals have not constituted any binding effect to the Company or caused the Company to have any obligations or liabilities. In addition, the Board will review all delegations of powers at least once per year;
 - (f) to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;
 - (g) to review and monitor the training and continuous professional development of directors and senior management;
 - (h) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
 - (i) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
 - (j) to review the Company’s compliance with the code and disclosure in the Corporate Governance Report.

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.