



SHENYIN WANGUO (H.K.) LIMITED

申銀萬國(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code : 218)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Constitution

1. The Board resolved to establish a Committee of the Board to be known as the Nomination Committee (“the Committee”).

Membership

2. Members of the Committee shall be appointed by the Board. A majority of the Committee members should be independent non-executive directors.
3. The Chairman of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an independent non-executive director.

Quorum and Attendance at Meetings

4. Two members of the Committee shall constitute quorum of the Committee.

Frequency of Meetings

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

Authority

6. The Committee is authorized by the Board to determine the policy for nomination of directors and make recommendations to the Board.
7. To assist Committee members to discharge their duties, the following procedures for seeking professional advice at the Company’s expenses shall be observed:
 - a. The Committee members shall submit a request in writing to the Chairman of the Board stating the grounds for seeking the independent professional advice;
 - b. The Chairman of the Board would approve the Committee member’s request directly. If necessary, the Chairman may convene the board meeting to resolve the matter.

Duties

8. The duties of the Committee shall be:

- a. to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspective) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the company's corporate strategy;
- b. to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships and, in carrying out this duty, will give adequate consideration of the Board Diversity Policy;
- c. to assess the independence of independent non-executive directors;
- d. to 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; and
- e. to monitor the implementation of the Board Diversity Policy; and review the Board Diversity Policy, as appropriate, so as to ensure its effectiveness.

Reporting Procedures

9. The minutes of the meetings shall be circulated to the Committee members.

August 2013