

Chanco International Group Limited

(the “Company”)

Nomination Committee - Terms of Reference

1. Constitution

- 1.1 The Nomination Committee (the “Committee”) is established pursuant to a resolution passed by the Board of Directors (the “Board”) of the Company at its meeting held on 25 August 2005.

2. Membership

- 2.1 The members shall be appointed by the Board and shall not consist of less than three members. The majority of the Committee members must be independent non-executive directors.
- 2.2 A quorum shall be two members and one of them must be independent non-executive director.
- 2.3 The chair of the Committee shall be appointed by the Board and should be either the chairman of the Board or an independent non-executive director and in his absence, members present may elect any member (who must be an independent non-executive director) to chair a committee meeting.
- 2.4 The Company Secretary or his/her delegate or such other person appointed by the chair shall be the secretary of the Committee.

3. Frequency of meetings

- 3.1 Meetings shall be held at least once a year. Additional meetings should be held if the Committee shall so request.

4. Notice

- 4.1 Notice of any meetings of the Committee has to be given at least 7 days prior to any such meeting being held, unless all Committee members unanimously waive such notice.

5. Minutes

- 5.1 Full minutes of the Committee meetings should be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records within a reasonable time after the meeting.

6. Authority

- 6.1 The Committee is authorised to obtain independent external professional advice and to secure assistance from external parties with relevant experience and expertise where it considers necessary. The Committee shall have the sole authority to approve all reasonable related fees and terms of engagement.
- 6.2 The Committee shall be provided with sufficient resources to discharge its duties.

7. Duties

- 7.1 The duties of the Committee shall be:
- (a) to review the structure, size and composition (including the skills, knowledge and experience) 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;
 - (c) to implement and review the Board Diversity Policy (the "Policy"), as appropriate, recommend any revisions of the Policy to the Board; review the measurable objectives that the Board has set for implementing the Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Company's corporate governance annually;
 - (d) to assess the independence of independent non-executive directors;
 - (e) to make recommendations to the Board on the appointment and re-appointment of directors and succession planning for directors, in particular, the Chairman and the Chief Executive;
 - (f) where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent;

- (g) to review from time to time as appropriate these Terms of Reference and recommend to the Board any necessary changes; and
- (h) to consider other topics or matters, as defined by the Board.