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寶業集團股份有限公司

BAOYE GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 2355)

Terms of Reference of Nomination Committee

Membership

- (a) The Nomination Committee (the “Committee”) shall consist of three directors (the “Directors”) of Baoye Group Company Limited* (the “Company” together with its subsidiaries, the “Group”) appointed by the Company’s board of Directors (the “Board”) with at least two of them being independent non-executive Directors.
- (b) The Board shall designate either the chairman of the Board or an independent non-executive Director to be the chairman of the Committee (the “Committee Chairman”).

Frequency of meetings

- (a) The Committee shall meet at least annually. Additional meetings shall be held as the work of the Committee demands.
- (b) In addition, the Committee Chairman may convene additional meetings at his discretion.
- (c) The quorum of a meeting shall be two Committee members.

Duties, powers and functions

- (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 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 report to the Board on the matters set out in the provisions above.

Reporting Procedures

The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Committee Chairman shall report the findings and recommendations of the Committee to the Board.

Zhejiang Province, the PRC
19 March 2012

** For identification purpose only*