



GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

(the “**Company**”)

TERMS OF REFERENCE OF NOMINATION COMMITTEE (the “**Committee**”)

Purpose of the Committee

1. The board of directors (“**Directors**”) of the Company (the “**Board**”) resolved to establish a nomination committee on 30 March 2012.

Composition of the Committee

2. Members of the Committee shall be appointed by the Board and shall consist of not less than three members and the majority of the members of the Committee shall be independent non-executive Directors, with at least one member of a different gender.
3. The Board shall have the right to appoint and remove members of the Committee. The Board shall also have the right to appoint additional members to the Committee.
4. The Board shall appoint a chairman (the “**Chairman**”) for the Committee, who shall be an independent non-executive Director or the chairman of the Board.
5. In the absence of the Chairman at any meeting of the Committee, the remaining members of the Committee present at any meeting convened in accordance with these terms of reference shall elect among the remaining members of the Committee (who is either the chairman of the Board or an independent non-executive Director) to act as the Chairman.
6. The Chairman may be removed at any time by the Board.
7. The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.
8. In the absence of the secretary of the Committee, the members of the Committee present at the meeting shall elect another person to act as the secretary.

Quorum

9. The quorum necessary for the transaction of business shall be two. No business shall be transacted at any meeting of the Committee unless a quorum of members is present at the time when the meeting proceeds to business.
10. If only two members are present in any meeting of the Committee, at least one member must be an independent non-executive Director.
11. Other Directors who are not members of the Committee shall have the right to attend any meetings of the Committee, however they shall not be counted in the quorum.
12. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Frequency and Proceeding of Meetings

13. Meeting of the Committee shall be held at least once a year and at such other times as the Chairman shall require.
14. Unless otherwise agreed in writing by all members of the Committee, a meeting of the Committee shall be called by at least seven days' notice.
15. A member of the Committee may and, on the request of a member of the Committee, the secretary to the Committee shall, at any time summon a meeting of the Committee. Notice shall be given to each member of the Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission or electronic mail at the telephone or facsimile or address or electronic mail address from time to time notified to the secretary by such member of the Committee or by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.
16. Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with the meeting papers and other documents which may be required to be considered by the members of the Committee for the purposes of the meeting shall be sent in full to all members of the Committee in a timely manner and at least seven days before the intended date of a Committee meeting or such other period as agreed in writing by all members of the Committee.
17. Minutes of the Committee should record in sufficient detail regarding the matters considered by the Committee and decisions reached, including any concerns raised by any member of the Committee or dissenting views expressed. Drafts and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held.
18. Minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be made available for inspection by any member of the Committee and any Director at any reasonable time and on reasonable notice.

19. A resolution in writing signed by all members of the Committee shall be as valid and effective as if it has been passed at a meeting of the Committee duly called and constituted.
20. Proceedings of meeting of the Committee shall be governed by the provisions of Bye-law 110 of the Bye-laws of the Company.

Duties, Powers and Functions

21. The duties of the Committee shall include the following:
 - (a) to review the structure, size and composition (including the skills, knowledge, experience and diversity profile) of the Board at least annually, and assist the Board in maintaining a Board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - (b) to review the Nomination Policy and the Board Diversity Policy of the Company regularly and to make any recommendation on any proposed changes to the Board;
 - (c) to develop and maintain a policy concerning diversity of board members and to review periodically and disclose the policy on diversity or a summary of the policy in the Company's corporate governance report;
 - (d) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
 - (e) to assess the independence of the independent non-executive Directors and any proposed independent non-executive Directors to determine their eligibility, the perspective, skills and experience that the proposed independent non-executive Director can bring to the Board, his/her contribution to diversity of the Board and ability to devote sufficient time to the Board and Board committees;
 - (f) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive of the Company;
 - (g) to support the regular evaluation of the performance of the Board; and
 - (h) to address and deal with such other matters as may be delegated by the Board to the Committee.

Reporting Procedures

22. 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 Chairman shall report the findings and recommendations of the Committee to the Board.

23. The Chairman, or in the absence of the Chairman, a member of the Committee or failing this his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to shareholders' questions.

Authority

24. Management shall be obliged to supply to the Committee with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable.
25. The Committee shall have sufficient resources to perform its duties and is authorized by the Board to seek any information it requires from any employee of the Company or its subsidiaries in order to discharge its duties and all employees are directed to co-operate with any request made by the Committee.
26. In carrying out its duties, the Committee, if considered necessary, is authorized by the Board to obtain independent professional advice at the Company's expense.

Note: If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.