

SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO., LTD. (the “Company”)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (adopted by the board of the Company on April 6, 2015)

Chapter I. General Principles

Article 1. Pursuant to the *Company Law of the People’s Republic of China* (the “**Company Law**”), *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”), *articles of association of Shanghai Haohai Biological Technology Co., Ltd.* (“**Articles of Association**”) and such other relevant laws, regulations and normative documents, the board of directors of the Company (the “**Board**”) has decided to set up a nomination committee under the Board (the “**Committee**”) and hereby formulate these terms of reference, in an effort to further establish and improve the Company’s corporate governance, improving scientific and democratic process in election of Board, optimizing the composition of the Board, so as to enable the Board to work in a regulated and efficient manner.

Article 2. Resolutions adopted by the Committee shall comply with the Articles of Association, these terms of reference and such other provisions specified in relevant laws, regulations and normative documents.

Article 3. The Committee shall perform its duties pursuant to the Articles of Association and within the scope set forth in these terms of reference, and shall act independently without any interference from other departments of the Company.

Chapter II. Composition

Article 4. The Committee shall comprise five (5) directors and a majority of whom shall be independent non-executive directors.

Article 5. Members of the Committee shall be nominated by the chairman of the Board or more than half (1/2) of independent non-executive directors or more than one-third (1/3) of all the directors, and shall be elected by the Board.

Article 6. The Committee shall have one (1) chairman (the “**Chairman**”), who shall be the chairman of the Board or an independent non-executive director and shall preside the work of the Committee. The Chairman shall be elected amongst the chairman of the Board and the independent non-executive directors.

Article 7. The Chairman of the Committee shall convene and chair the Committee meetings. Where the Chairman of the Committee is incapable or unable to perform his/her duties, he/she shall appoint another Committee member to perform the duties on his/her behalf. Where the Chairman neither performs his/her duties nor appoints another member to exercise duties on his/her behalf, any other member may report such situation to the Board of the Company, and the Board shall appoint another member to perform the duties of the Chairman.

Article 8. All Committee members shall be directors of the Company, his/her term of office as a Committee member shall be the same as his/her term of office as a director, and such term of office may be renewed upon re-election. The Committee members shall not be dismissed without cause unless any circumstances specified in the Listing Rules, Company Law, Articles of Association or these terms of reference which prevent a member from holding his/her position shall arise. Where any member resigns or no longer holds the office of director for other reasons during his/her term of office, the Committee membership of such member shall automatically be revoked and the Board shall supplement a new member pursuant to the Articles of Association and these terms of reference.

Article 9. In the event that the number of Committee member shall fall below two-thirds (2/3) of the required number due to resignation by or removal of members or such other reasons, the Board of the Company shall promptly supplement new candidates. The Committee shall suspend performance of its duties pursuant to these terms of reference until the number of Committee member is restored back to two-thirds (2/3) of the required number.

Chapter III. Duties and Authorizations

Article 10. Primary duties of the Committee include make recommendations or proposals to the Board of the Company on replacement of or recommendation of new candidate for director.

Article 11. The Committee primarily performs the following powers and duties:

- (1) to make recommendations to the Board on the size and composition of the Board and the management based on the Company's business operation, asset scale and shareholding structure, and 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, and take diverse factors into account when reviewing the composition of the Board, including but not limited to gender, age, cultural and educational background, as well as professional experience;
- (2) to extensively search for candidates qualified to become directors and members of the senior management, identify individuals suitably qualified to become members of the Board, and select or advise the Board on nomination of directors;
- (3) to assess the work performed by directors and members of the senior management, and make recommendations or proposals on replacement of directors or members of the senior management based on such assessment;
- (4) to review candidates for other members of the senior management that require appointment by the Board and make recommendations;
- (5) 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;
- (6) to assess the independence of independent non-executive directors; and
- (7) to formulate policies relating to the diversity of members of the Board and disclose such or summaries of such in the Corporate Governance Report. Multiple factors could be considered to achieve diversity of members of the Board, including (but not limited to) gender, age, cultural and educational background or professional experience, with regard to the business and specific needs of the Company.

Article 12. The Committee shall, after reviewing the matters set forth in the preceding article herein, reach a resolution and submit to the Board together with relevant proposals.

Article 13. Exercising of powers and duties by the Committee shall comply with relevant provisions set forth in the Listing Rules, Company Law, Articles of Association and these terms of reference, and shall not harm the interest of the Company and shareholders.

Article 14. While the Board is not in session, the Committee may, pursuant to the authorization granted by the Board, directly make resolutions on matters specified in Article 11 herein. Any proposal subject to shareholders' approval shall be submitted to shareholders' meeting according to statutory procedures.

Article 15. Relevant departments of the Company shall cooperate with the Committee during performance of its duties. The Committee could engage intermediaries to provide professional advice if necessary, and the expenses so incurred in relation to the above shall be borne by the Company.

Article 16. The Board shall fully respect recommendations made by the Committee on candidate for director, and shall not, in absence of adequate causes or reliable evidence, set aside the nomination of any candidates nominated by the Committee.

Chapter IV. Notice on Convening of Meetings

Article 17. Meetings of the Committee include regular meetings and interim meetings.

The Committee shall hold at least one (1) regular meeting in each financial year, which shall be held not later than three (3) months after the end of the preceding financial year.

Either the Company's Board, Chairman of the Committee or more than two (2) (at least two) Committee members acting jointly, may request to convene interim meetings.

Article 18. The Committee's regular meetings shall mainly focus on discussion and reviewing directors' work performance in the preceding year and whether any replacement of directors is required.

In addition to the aforementioned matters, any matter within the scope of these terms of reference and set forth in the meeting notice may be discussed during the Committee's regular meetings.

Article 19. The Committee's regular meetings shall be held through physical attendance. Interim meetings may be held either through physical attendance or through non-physical attendance in which voting may be conducted through remote communication.

Unless otherwise specified in the Articles of Association or these terms of reference, as long as the members have ample opportunity to express their opinions, resolutions of interim meetings may be adopted through facsimile transmission and signed by the attending members.

Where voting is conducted through remote communication, a Committee member's signature on a resolution shall be considered as attendance at a physical meeting and consent to the resolution.

Article 20. Notice of at least five (5) (excluding the date of the meeting) days should be given for a regular meeting, and notice of at least three (3) days (excluding the date of the meeting) should be given for an interim meeting.

Article 21. Secretary to the Board shall be responsible for sending notices for Committee meetings pursuant to the requirement prescribed in the preceding article.

Article 22. Notice for a Committee meeting shall include, at least the following:

- (1) time and place of the meeting;
- (2) duration of the meeting;
- (3) topics to be discussed in the meeting;
- (4) contact person of the meeting and contact information; and
- (5) date of notice of the meeting.

Article 23. Notice sent by the secretary to the Board shall attach complete meeting agenda.

Article 24. Written notices shall be given for the Committee's regular meetings, and other types of notices such as by telephone, email or other instant communication methods may be used for interim meetings.

Where telephone, email or such other instant communication methods are used, the recipient shall be deemed to have received the notice if he/she fails to raise any written objection within two (2) days of issue of the notice.

Chapter V. Rules of Order and Voting Procedures

Article 25. The quorum of a Committee meeting shall be more than two-thirds (2/3) of the members. Other directors of the Company may attend a Committee meeting but a director who is not a Committee member is not eligible to vote on any motion of the meeting.

Article 26. A Committee member may attend a meeting either in person or authorize another Committee member to attend the meeting on his/her behalf and exercise his/her voting right. Each Committee member is allowed to authorize only one (1) member to vote on his/her behalf, and the proxy shall be invalid in the event that two (2) or more than two (2) persons are authorized to vote on his/her behalf.

Article 27. Where a Committee member authorizes another Committee member to attend the meeting and exercise the voting right, he/she shall deliver a power of attorney to the Chairman of the meeting not later than the commencement of the meeting.

Article 28. The power of attorney shall include, at least the following:

- (1) name of the principal;
- (2) name of the proxy;
- (3) scope of authorization;
- (4) voting instructions in relation to the meeting topics (for, against or abstain) and, in absence of instruction, whether the proxy may vote on his/her own will;
- (5) term of authorization; and
- (6) date of signing the power of attorney.

The power of attorney shall be signed by both principal and proxy.

Article 29. A Committee member who neither attend nor authorize other Committee members to attend on his/her shall be regarded as absent from the meeting.

A Committee member that does not attend the Committee meetings for two (2) consecutive times shall be regarded as unable to perform his/her duties properly and the Board may dismiss such member.

Article 30. Any resolution made by the Committee shall be adopted only after it has been approved by over half of all Committee members (inclusive of Committee members who are absent from the meeting).

Each Committee member shall have one (1) vote.

Article 31. After announcing the commencement of the meeting, the Chairman should review topics set forth in the agenda in the order of sequence.

Article 32. The Committee may review any meeting topics through free discussion, provided the rules of order are maintained, and the speaker shall not talk in a manner that involve personal attack or use other abusive or threatening language.

The chairman has the right to decide length of discussion.

Article 33. The Committee shall allow integrated review of topics and voting according to order of sequence, this is, after all the topics have been reviewed by all attending members, voting shall be conducted according to order of sequence of topics set forth in the agenda.

Article 34. Where the Committee considers necessary, it may call such other persons that are relevant to the subject topics to attend the meeting, in an attempt to allow them to introduce the topic or express opinion, provided that non-Committee members are not eligible to vote.

Article 35. Members that attend a Committee meeting shall, in a conscientious and responsible manner, review the subject topics and fully express their opinions. A member shall be accountable for the vote cast under his/her own will.

Article 36. Vote-by-ballot shall be adopted in both regular and interim meetings of the Committee, and the voting options include for, against or abstain. Each member that attend the meeting shall only choose for, against or abstain, multiple choices or failure to choose shall be considered abstention.

Where a Committee meeting would like to vote through facsimile transmission, the voting method shall be voting by signature.

The Chairman shall count the votes in respect of each topic and announce the result on the spot, the result shall be recorded in the meeting minutes by the person who recorded the minutes.

Article 37. Minutes shall be kept for Committee meetings by secretary to the Board or any staff of Stock department designated by the secretary to the Board.

Article 38. The Committee shall, pursuant to relevant laws, regulations and Articles of Association, and in connection with actual circumstance of the Company, review the conditions of election, election procedures and term of office of directors of the Company, form resolution proposals for the Board's approval and shall implement the same after its approval.

Article 39. Procedures for election and appointment of directors:

- (1) the Committee shall promptly communicate with relevant departments of the Company to check the need for new directors and prepare written materials in relation thereto;
- (2) the Committee may extensively search for candidates for directorship within the Company, any holding companies (companies holding shares of the Company) and the human resource market;
- (3) to collect information on candidates, including their occupation, educational background, title, detailed work experience and all other positions they held, and prepare written materials in relation thereto;
- (4) to consult with candidates on their consents to the nomination, otherwise they shall not be recommended as candidates for directors;
- (5) to convene Committee meetings, and carry out qualification check on initial candidates based on conditions of election as director;
- (6) to make recommendations to the Board on candidates for directorship and submit relevant materials one or two months before the election of new directors; and
- (7) to carry out other follow up work based on the Board's decision and feedback.

Chapter VI. Meeting Resolutions and Minutes

Article 40. After having prescribed effective votes, a motion shall be passed as a Committee resolution upon announcement by the chairman of the meeting.

Resolutions of the Committee shall come into force after being signed by the attending members, and no amendment or modification shall be made to any Committee resolutions that have come into force unless relevant legal procedures required by laws, regulations, Articles of Association and these terms of reference have been carried out.

Article 41. A Committee member or the secretary to the Board shall, no later than the day following the date when a resolution comes into force, report to the Board the relevant resolutions passed in the meeting.

Resolutions passed by the Committee shall be kept by the Company in written form as part of Company archive, and shall be kept for not fewer than ten (10) years during the existence of the Company.

Article 42. If a resolution passed by the Committee violates any laws, regulations, Listing Rule or Articles of Association and thereby causing significant losses to the Company, the members involved in passing the resolution shall bear joint and several liability to the Company. However, a member may be exempted if it is proved that he/she expressed disagreement during voting and the disagreement has been recorded in the minutes.

Article 43. Written minutes shall be kept for Committee meetings, and the member attending the meeting and the staff responsible for recording the minutes shall sign on the minutes. A member attending the meeting has the right to request to record explanations on statements made in the meeting.

Committee meeting minutes shall be kept by the Company in written form as part of Company archive, and shall be kept for not fewer than ten (10) years during the existence of the Company.

Article 44. Minutes for any Committee meeting shall include, at least, the following:

- (1) date and place of, and the name of the person convening the meeting;
- (2) names of attendees, and specific notes shall be made in the case of attendance by proxy;
- (3) meeting agenda;
- (4) summary of statements made by members;
- (5) voting method and the result thereof in respect to each resolution or proposal (number of for, against or abstain votes shall be recorded); and
- (6) other matters that shall be described and kept in minutes.

Chapter VII. Rules of Avoidance

Article 45. If a Committee member him/herself or any of his/her immediate family members or any other companies under their control has a direct or indirect interest in a matter to be discussed during a meeting, such member shall promptly disclose to the Committee the nature and extent of such conflict of interest.

Article 46. In the case of occurrence of the circumstance specified in the preceding article, a member having conflict of interest shall, during the Committee meeting, give relevant details and expressly state his/her voluntary intention to avoid voting on relevant matters. However, if other members of the Committee, upon discussion, unanimously hold that the relevant conflict of interest will not cause significant influence on the matter to be voted, the member involving conflict of interest may participate in the voting.

In the case the Board of the Company believes it is improper for a member having conflict of interest as referred to in the preceding clause to participate in voting, the Board may revoke the voting result on relevant topic and request the members without conflict of interest to re-vote for the same.

Article 47. A Committee meeting shall review a proposal and conclude resolution without counting the member having conflict of interest in the quorum. Where it is failed to meet the quorum after a member with conflict of interest avoids to vote in the meeting, all the members (including the member with conflict of interest) shall make a resolution on procedural matters such as submitting the proposal to the Board of the Company, and the Board shall review the same.

Article 48. Minutes and resolutions of the Committee shall include information on excluding the member with conflict of interest in quorum and abstaining from voting by such member.

Chapter VIII. Work Evaluation

Article 49. Committee members have the right to evaluate work of the directors of the Company in the preceding year, and relevant departments of the Company shall actively cooperate therewith by promptly providing information required by the Committee members.

Article 50. A Committee member has the right to access the following:

- (1) the Company's regular reports;
- (2) the Company's public announcements;
- (3) resolutions and minutes of the Company's shareholders' meetings, Board meetings, supervisory committee's meetings and general managers' meetings; and
- (4) other necessary information as determined by the Committee members.

Article 51. A Committee member may send inquiries to the directors with respect to any specific matter and the latter shall respond.

Article 52. The Committee members may, based on the information they learn and obtain, evaluate the work of the directors in the preceding year.

Article 53. Committee members shall maintain confidentiality of any information they learn about the Company before the same are made public.

Chapter IX. Miscellaneous

Article 54. Any issues not covered in these terms of reference shall be handled pursuant to relevant State laws, administrative regulations, departmental rules, Listing Rules and the Articles of Association. In the event that these terms of reference are contrary to any subsequent State laws, administrative regulations, departmental rules, Listing Rules and/or amended Articles of Association, the relevant State laws, administrative regulations, departmental rules, Listing Rules and/or amended Articles of Association shall prevail, and these terms of reference shall be amended promptly and submitted to Board for review and approval.

Article 55. Terms: "more than", "not fewer than" or "within" used herein are inclusive terms, and the terms "over" or "fall below" herein are exclusive terms.

Article 56. These terms of reference shall be implemented from the date of Board approval.

Article 57. The Board shall be responsible for the interpretation of these terms of reference.

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