



Sanai Health Industry Group Company Limited

三愛健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1889)

Summary of terms of reference of the Nomination Committee

The board of directors (the “**Board**”) of **SANAI HEALTH INDUSTRY GROUP COMPANY LIMITED** (the “**Company**”) established a committee of the Board on 8 January 2007, known as the Nomination Committee (the “**Nomination Committee**”), its constitution and particular duties are set out below:

(1) Membership

The members of the Nomination Committee shall be appointed by the Board, the majority of which should be the independent non-executive directors of the Company and it shall be chaired by the Chairman of the Board or an independent non-executive director. The Committee shall consist of not less than three members with at least one member of a different gender. A quorum of a meeting of the Committee shall be two members.

(2) Frequency of meetings

Meetings of the Nomination Committee shall be held not less than once a year.

(3) Duties

The Nomination Committee should be established with specific written terms of reference which deal clearly with the committee’s authority and duties. It is recommended that the Nomination Committee should discharge the following duties:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;

- (b) 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) assess the independence of independent non-executive directors;
- (d) review the Board Diversity Policy, as appropriate; and to review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and to make disclosure of its review results in the Corporate Governance Report annually;
- (e) 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;
- (f) support the Company's regular evaluation of the Board's performance;
- (g) assess each director's time commitment and contribution to the Board, as well as the director's ability to discharge his/her responsibilities effectively; and
- (h) 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 (i) the process used for identifying the individual and why the board believes the individual and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the board believes the individual would still be able to devote sufficient time to the board; (iii) the perspectives, skills and experience that the individual can bring to the board; and (iv) how the individual contributes to diversity of the board.

The Board will ensure the Company to provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee shall be entitled to seek independent professional advice, at the Company's expense, to perform its responsibilities.

(4) Reporting procedures

The secretary of the Nomination Committee shall circulate the minutes of the meetings of the Nomination Committee to all members of the Board within a reasonable time after the meeting.