Yun Lee Marine Group Holdings Limited
潤利海事集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2682)

Terms of Reference – Nomination Committee

1. Constitution

The board of directors (the "**Directors**") of Yun Lee Marine Group Holdings Limited (the "**Company**") (the "**Board**") has resolved on 20 September 2018 to establish a nomination committee of the Company (the "**Committee**") and has adopted the following terms as the terms of reference for the Committee.

2. Objectives

2.1 The Committee shall review and develop, for the Board's endorsement, the Company's policy on nomination of its Directors (including executive Directors).

2.2 It shall provide a medium of public accountability, which is not controlled by the Company's management.

3. Membership

3.1 Members of the Committee shall be appointed by the Board. The Committee shall consist of not less than three members, a majority of whom shall be independent non-executive Directors (the "**INEDs**" and each an "**INED**"). The members of the Committee shall have at least one member of a different gender.

3.2 The term of each member of the Committee shall be the same as his/her as a Director. Subject to the constitutions of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term of appointment relating thereof.

3.3 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.

3.4 The chairman of the Committee (the "**Committee Chairman**") shall be an INED who is a member of the Committee appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3.5 The company secretary of the Company or his/her representative (in his/her absence) shall be the secretary of the Committee (the "**Committee Secretary**"). The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary.

3.6 In the case of an equality of votes at a meeting of the Committee, the Committee Chairman of the meeting shall have the casting vote.

4. Quorum

The quorum of the Committee shall be two members of the Committee. Meetings could be held in person, by telephone, by video conference or any other form of communications equipment providing all persons participating in the meeting are able to hear and speak to each other throughout the meeting. 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.

5. Annual General Meetings of the Company

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her appointed alternate shall attend the Company's annual general meetings of the Company and be prepared to respond to questions raised by shareholders of the Company on the Committee's activities and responsibilities.

6. Frequency of and Attendance at Meetings

6.1 The Committee shall meet not less than once a year. Additional meetings should be held if any member of the Committee shall so request or as and when appropriate.

6.2 The Committee may request any Director, any member of senior management of the Company (the "**Senior Management**") or any other individual to attend its meetings.

6.3 Only a member of the Committee is entitled to vote at a meeting of the Committee.

6.4 The Committee may invite any member of the Senior Management, any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

7. Notice of Meeting

7.1 A meeting of the Committee may be convened by any of its members or by the Committee Secretary.

7.2 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the memorandum and articles of association of the Company regulating the meetings and proceedings of the Board.

7.3 Unless otherwise agreed by all members, the notice of convening a meeting of the Committee shall be sent out to each member not less than 7 days before the meeting.

7.4 Notice of the Committee meeting shall state the date, time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the Committee for the purposes of the meeting. Supporting documents shall be sent to the members of the Committee and to other attendees as appropriate, at the same time.

8. Resolutions in Writing

Subject to compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the applicable laws and regulations, resolutions in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

9. Authority

9.1 The Committee shall report directly to the Board.

9.2 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees of the Company and its subsidiaries are directed to co-operate with any request made by the Committee.

9.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

9.4 Management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a number of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.

9.5 The Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

10. Duties

The duties of the Committee should include, without limitation, the following:

a. to review the structure, size, composition and diversity (including the skills, knowledge, gender, experience, age, cultural and educational background, or professional experience) of the Board at least annually, assist the Board in maintaining a board skill matrix, 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 Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships when a vacancy occurs on the Board by reason of disqualification, resignation, retirement, death or an increase in the size of the Board;

c. to assess the independence of INEDs, having regards to the requirements under the Listing Rules;

d. to make recommendations to the Board on:

   (i) the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive of the Company;

   (ii) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provisions of the law and their service contract; and

   (iii) any area it deems appropriate within its scope of duties where action or improvement is needed;

e. to review and assess regularly the time commitment and contribution to the Board by each director as well as the director's ability to discharge his or her responsibilities effectively;

f. to support the Company's regular evaluation of the Board's performance;

g. to make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**");

h. to make recommendations to the Board on the candidacy of the nominees, having regard to the factors, *inter alia,* the diversity of the Board members; the competency and the independence of the potential/existing Board members; the ability, time, commitment and willingness of the potential/existing Board members to serve the Committee;

i. to review the board diversity policy of the Company, as appropriate, and review the measureable objectives that the Board has set for implementing the board diversity policy and the progress on achieving the objectives; and make disclosure of its review results in the corporate governance report annually;

j. to ensure that no Director or any of his/her associates is involved in approving his/her or any of his/her associates' nomination; and

k. at least once a year, to review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Reporting Procedures

11.1 Without prejudice to the generality of the foregoing, the Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements). The reporting shall be done by the Committee Chairman or any such other person designated by the Committee.

11.2 Full minutes of the Committee's meetings and written resolutions should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by the Director.

11.3 The Committee Secretary shall circulate (i) the draft and final versions of the minutes of the meetings to all Committee members for their comments and records respectively, within a reasonable time after the meetings; and (ii) the minutes of the meetings and reports of the Committee to all members of the Board.

12. Publication of Terms of Reference

A copy of these terms of reference will be made available to any person without charge upon request and these terms of reference will be posted on the websites of the Company and the Stock Exchange.

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