

CHINA BAK BATTERY, INC.

Nominating and Corporate Governance Committee Charter

Article I. Purpose

The Nominating and Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of China BAK Battery, Inc. (the “**Company**”) has been appointed by the Board for the purpose of:

1. Identifying, recruiting, evaluating and recommending individuals for nomination for election to the Board and the committees thereof as well as to fill any vacancies;
2. Developing a policy with regard to the consideration of any director candidates recommended by stockholders of the Company and the procedures to be followed by such stockholders in making such recommendations;
3. Assisting the Board and the committees of the Board in the conduct of their annual evaluations; and
4. Taking a leadership role in shaping corporate governance policies and practices, including recommending to the Board corporate governance guidelines applicable to the Company and monitoring Company compliance with said policies and guidelines.

The Committee is also charged with making regular reports to the Board and delivering any reports that may from time to time be required by the rules of the Nasdaq Stock Market, Inc. (“**NASDAQ**”) or the Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement or annual report on Form 10-K.

Article II. Membership

The Committee shall consist of two or more members of the Board. Prior to their election and annually thereafter, the members of the Committee shall each have been affirmatively determined by the Board to satisfy the same standards of “independence” as apply to the members of the Company’s Audit Committee.

Each member of the Committee shall be elected by the Board and shall serve until the expiration of such member’s term or until such member’s earlier resignation, retirement or removal from the Committee or the Board. The members of the Committee may be removed at any time, with or without cause, by majority vote of the Board.

The Board shall elect a Chairperson of the Committee. The Chairperson of the Committee shall chair all regular and special sessions of the Committee, be responsible for scheduling regular and special meetings of the Committee and set the agendas for Committee meetings. This Chairperson shall serve until the expiration of his or her term or until his or her earlier resignation, retirement or removal from the Committee or the Board. If the Chairperson is

absent from a particular meeting, another member of the Committee shall serve as chairperson for purposes of that meeting.

The Committee may delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Article III. Meetings

The Committee shall meet at least twice a year. Additional meetings may occur as the Committee or its Chairperson deem advisable.

A majority of Committee members shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent to the fullest extent permitted by the Delaware General Corporation Law.

The Committee will cause to be kept adequate minutes of all its proceedings and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous written consent.

Article IV. Authority

The Company shall provide the Committee with the necessary resources and the Committee shall have the authority necessary to discharge its duties and responsibilities, including the authority to retain any search firm, outside counsel or other experts or consultants, as it deems appropriate in its sole discretion. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company. The Committee will take all necessary steps to preserve the privileged nature of those communications.

Article V. Responsibilities and Duties

The Committee shall have the following responsibilities and duties:

1. To develop a process to be used by the Committee in identifying and evaluating candidates for membership on the Board and the committees thereof;
2. To assist the Board in identifying, recruiting and evaluating candidates for membership on the Board and the committees thereof;
3. To annually present to the Board a list of nominees recommended for election to the Board at the annual meeting of stockholders;
4. To develop appropriate criteria and make recommendations to the Board regarding the independence of directors and nominees;
5. To present to the Board, as necessary, individuals recommended to fill any vacancies that may occur on the Board;

6. To adopt a process for stockholders of the Company to send communications to the Board;
7. To adopt a policy regarding the consideration of any director candidates recommended by stockholders of the Company and the procedures to be followed by such stockholders in making such recommendations;
8. To review the size and overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise of each Board member, and make recommendations to the Board as necessary;
9. To recommend to the Board the number, identity and responsibilities of Board committees and the Chair and members of each committee. This shall include advising the Board on committee appointments and removal from committees or from the Board, rotation of committee members and Chairs and committee structure and operations;
10. To periodically assess the effectiveness of the Board in meeting its responsibilities, representing the long-term interests of stockholders;
11. To report annually to the Board with an assessment of the Board's performance;
12. To consult with the Company's Chief Executive Officer, as appropriate, and other Board members to ensure that its decisions are consistent with the sound relationship between and among the Board, Board committees, individual directors, and Company management;
13. To recommend general matters for consideration by the Board, which may include: (i) the structure of Board meetings, including recommendations for the improvement of such meetings, and the timeliness and adequacy of the information provided to the Board prior to such meetings; (ii) director retirement policies; (iii) director and officer insurance policy requirements; (iv) policies regarding the number of boards on which a director may serve; (v) director orientation and training; and (vi) the roles of the Company's executive officers and the outside directorships of such executives;
14. To review adherence by directors to corporate guidelines regarding transactions with the Company;
15. To assist the Board and the other committees of the Board in the conduct of their annual evaluations;
16. To monitor the orientation and continuing education programs for directors;
17. To review and assess the adequacy of the Company's policies and practices on corporate governance and recommend any proposed changes to the Board for approval;
18. To review and assess the adequacy of the Company's Code of Conduct and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's culture and business practices;
19. To review requests for any waiver of the Company's Code of Conduct and recommend to the Board whether a particular waiver should be granted;

20. To obtain advice and assistance, as needed, from internal or external legal counsel, accounting firms, search firms or other advisors, with the sole authority to retain, terminate and negotiate the terms and conditions of the assignment;
21. To review the adequacy of the charters adopted by each committee of the Board, and recommend changes as necessary;
22. To regularly report to the Board on the Committee's activities;
23. To conduct an annual review of the Committee's performance and report the results to the Board, periodically assess the adequacy of its charter and recommend changes to the Board as needed;
24. To delegate responsibility to subcommittees of the Committee as necessary or appropriate; and
25. To perform any other activities consistent with this Charter, the Company's Certificate of Incorporation (as the same may be amended and/or restated and in effect from time to time), the Company's bylaws (as the same may be amended and/or restated and in effect from time to time), and governing law, as the Committee or the Board deems necessary or appropriate.

Approved on [April 3, 2006]