

CHINA RESOURCES ENTERPRISE, LIMITED (“Company”)

Terms of Reference for Nomination Committee

Constitution

1. The Board has established a Committee known as the Nomination Committee (“**Committee**”).

Membership

2. The members shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members, a majority of whom should be independent. The Director responsible for human resources function (“**Responsible Director**”) shall be an ex-officio member of the Committee. Two members shall form a quorum.
3. The Chair of the Committee shall be appointed by the Board and should be an independent Director and in his absence, members present may elect any member to chair a Committee meeting.

Attendance at meetings

4. The Company Secretary or his delegate or such other person appointed by the Chair shall be the secretary of the Committee (“**Secretary**”).

Frequency and procedures of meetings

5. Meetings shall be held at least once a year or as requested by the Responsible Director or the Chair of the Committee. The members may adopt from time to time the procedure governing the convening of the Committee meetings, the means and procedure for the passing of resolutions at meetings of the Committee.

Authority

6. The Committee is authorized by the Board to deal with any activity within its terms of reference. It is authorized by the Board to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee is authorized 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 this necessary at the Company’s expense.

Duties

8. The duties of the Committee shall be:
 - (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make

recommendations on any proposed change to the Board to complement the Company's corporate strategy;

- (b) to identify, and assess the suitability and qualification of, candidates for the Directors and to report to the Board on their assessment and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors, having regard to the requirements under the Listing Rules; and
- (d) 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 Officer.

Other Procedures

9. The Chair, in consultation with the Responsible Director and the Secretary of the Committee, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chair, with the assistance of the Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting. The Secretary shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views of any member. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting. The Chair shall report at the forthcoming Regular Board Meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.
10. Unless otherwise defined, terms and expressions used herein shall have the same meanings as defined in the Corporate Governance Practice Manual of the Company.
11. This Terms of Reference has been prepared in English and Chinese, and both versions possess equal status and have the same effect.