

China Dongxiang (Group) Co., Ltd.
(the “Company”)

Nomination Committee Terms of Reference

Adopted by the Board on 27 March 2012

Revised and approved by the Board on 21 August 2013

1 Constitution

The board of directors of the Company (the “**Board**”) hereby constitutes and establishes a nomination committee (the “**Nomination Committee**”) with authority, responsibility, and specific duties as described below.

2 Membership

2.1 (a) The Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Board shall appoint one member of the Nomination Committee (who shall be the chairman of the Board or an independent non-executive director) as the chairman of the Nomination Committee (the “**Chairman**”). A quorum should be two members, one of whom should be an independent non-executive director.

(b) The Chairman shall preside at all meetings of the Nomination Committee. In the absence of the Chairman, the remaining members present shall elect one of themselves (who shall be the chairman of the Board or an independent non-executive director) to chair the meeting. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

(c) The Chairman, or in his absence, another member of the Nomination Committee, or failing this his duly appointed delegate shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions at the meeting.

2.2 Each member of the Nomination Committee shall disclose to the Nomination Committee:

2.2.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Nomination Committee;

2.2.2 any potential conflict of interest arising from a cross-directorship; or

2.2.3 any such member shall abstain from voting on resolutions of the Nomination Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Nomination Committee.

3 Secretary

The Company Secretary of the Company (the “Company Secretary”) or any other person designated as such by the Nomination Committee from time to time, shall be the secretary of the Nomination Committee.

4 Authority

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

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

5 Duties

The Nomination Committee shall perform the following duties:–

- (a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to implement the Company’s corporate strategy;
- (b) to 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) to assess the independence of independent non-executive directors of the Company and review the independent non-executive directors’ annual confirmations on their independence and 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 why they believe he should be elected and the reasons why they consider him to be independent;

- (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.
- (e) to seek independent professional advice to perform its responsibilities where necessary;
- (f) to report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so) and to prepare a summary of its work during the year for inclusion in the Company's corporate governance (including a report the policies, procedures, process and criteria it has adopted to select and recommend candidates for directorship during the year); and
- (g) to review the Board Diversity Policy, as appropriate; and review the measurable 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.

6 Frequency of meetings

The Nomination Committee shall meet at least annually or more frequently if circumstances require. The Chairman may convene additional meetings at his discretion.

7 Attendance

7.1 As necessary or desirable, the Chairman may request that members of management be present at the meeting of the Nomination Committee.

7.2 Meetings may be held by way of telephone conference.

8 Minutes

8.1 Full minutes of the Nomination Committee meeting shall be kept by the Company Secretary.

8.2 Minutes of the Nomination Committee shall be sent to all members of the Nomination Committee within a reasonable time after the meeting.

8.3 The Company Secretary shall circulate the minutes of the meetings of the Nomination Committee to all members of the Board for their records within a reasonable time after the meeting.

9 General

The Nomination Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board, by including them on the website of the Stock Exchange of Hong Kong Limited and the website of the Company.