

CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED
(the “Company”)

TERMS OF REFERENCE
OF
THE NOMINATION COMMITTEE

Formation

1. The Nomination Committee (the “**Committee**”) was formed pursuant to the board resolution of the Company passed on 29 March 2012.

Membership and Proceedings

2. The Committee members shall be appointed by the Board of Directors of the Company (the “**Board**”) amongst the non-executive Directors and executive Directors of the Company and consist of not less than three members. A majority of the Committee members shall be independent non-executive Directors. A quorum shall be two members.
3. The chairman of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an independent non-executive Director.
4. The meetings and proceedings shall be governed by the provisions contained in the Company’s Articles of Association for regulating the meetings and proceedings of the Directors of the Company.

Authority

5. 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 employees and all employees are directed to co-operate with the Committee. The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

6. 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 make recommendations on any proposed changes to the Board to complement 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.
- (d) To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the chief executive of the Company.
- (e) To consider other topics as defined by the Board.

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