

Constitution

1. The board of the directors (the “Board”) hereby resolves to establish a committee of the Board to be known as the Nomination Committee (“the Committee”).

Objective

2. To run an effective Board, it is necessary for the Company to go through a formal, fair and transparent process of reviewing the balance and effectiveness of the Board, identifying the skills needed and appointing those who can provide them to the Board. The main objective of the Committee is to lead the process for board appointments, and to identify and nominate suitable candidates for appointment to the Board.

Membership

3. The Committee shall comprise not less than three members to be appointed by the Board, with the majority of whom being independent non-executive directors.
4. The chairman of the Committee shall be one of the independent non-executive directors on the Committee, or shall be the chairman of the Board, who shall be a non-executive director.
5. Appointment to the Committee shall be for a period of up to three years subject to extension.

Quorum

6. A quorum shall be two members.

Attendance at meetings

7. Members shall participate in meetings of the Committee either in person or by means of a conference telephone or similar communications equipment.

8. Meetings of the Committee shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee or an appointed deputy, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the Committee when it is dealing with his or her own succession as chairman of the Board.
9. Only members of the Committee have the right to attend meetings of the Committee. However, the Committee may invite executive directors and/or other persons to attend part or whole of its meetings as necessary to assist it to discharge its duties.

Committee secretary

10. [The company secretary of the Company] shall act as the secretary of the Committee (the "Secretary").

Frequency of meetings

11. Regular meetings of the Committee shall be held at least once during a financial year and at such other times as the chairman of the Committee shall require.

General meetings

12. The chairman of the Committee or his nominee shall attend the Company's annual general meeting and special general meeting and be prepared to respond to shareholders' questions in relation to the nomination of directors.

Arrangement for and notices of meetings

13. Meetings of the Committee shall be called by the Secretary as instructed by the chairman of the Committee, or requested by the Board.
14. Unless otherwise agreed, notices for regular meetings of the Committee setting out the venue, time and date together with the agenda of matters to be discussed shall be given to all members of the Committee and any other person required to attend at least 14 days before the meeting. For all other meetings, reasonable

notices shall be given.

15. If any member of the Committee wishes to include matters in the agenda for a particular regular meeting, he or she may notify the Secretary such matters in writing within seven days after a notice of the meeting is given.

Access to services of company secretary

16. The Committee shall be provided with sufficient resources to discharge its duties. Members of the Committee shall have access to the advice and services of the company secretary to ensure that board procedures and all applicable rules and regulations are followed.

Minutes of meetings

17. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of meetings of the Committee shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed.
18. Draft and final versions of minutes of meetings of the Committee shall be sent to the members of the Committee for their comments and records respectively within a reasonable period of time after the meetings are held.

Authority

19. The Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

Access to independent professional advice

20. The Committee is authorized by the Board to obtain, in connection with its duties and at the Company's expense, any outside legal or other independent professional advice which it deems necessary to help it to discharge its duties.

Duties

21. The specific duties of the Committee shall be:
- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;
 - (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 relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman of the Board and the chief executive officer;
 - (e) to make recommendations to the Board on the membership of committees of the Board, e.g., audit committee, remuneration committee, in consultation with the chairman of the Board and the chairmen of such committees, as appropriate;
 - (f) before recommending an appointment, to evaluate the balance of skills, knowledge and experience on the Board, and in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - (i) use such method or methods to facilitate the search as it may deem appropriate;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, ensuring that candidates have enough time available to devote to the position;
 - (g) to make recommendations to the Board on 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 law and their service contracts;

- (h) to keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market in which the Company operates;
- (i) to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which the Company operates;
- (j) to review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfill their duties; and
- (k) to ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

Reporting Procedures

- 22. The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 23. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its scope of work where action or improvement is needed.
- 24. The Committee shall provide to the Board all the information set out in paragraph 2 (g) of Appendix 23 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to enable the Company to prepare the corporate governance report in its annual report in compliance with Appendix 23.

25. The Secretary shall keep the minutes and resolutions passed at the Committee meetings and make the minutes of meetings and resolutions of the Committee available for inspection by any director on reasonable notice save when there is a conflict of interest.

Others

26. These terms of reference are available on reasonable request made to the company secretary during working hours.
27. The provisions on the Board in the Articles of Association of the Company and the Handbook for the Board of Directors are incorporated into these terms of reference for the Committee by reference.

Mandatory Disclosure in Corporate Governance Report in the Annual Report

Nomination of directors

The following information relating to the appointment and removal of directors:

- (a) the role and function of the nomination committee (if any);
- (b) the composition of the nomination committee (if any) (including names and identifying in particular of the chairman of the nomination committee);
- (c) the nomination procedures and the process and criteria adopted by the nomination committee or the board of directors (if there is no nomination committee) to select and recommend candidates for directorship during the year;
- (d) a summary of the work, including determining the policy for the nomination of directors, performed by the nomination committee or the board of directors (if there is no nomination committee) during the year; and

- (e) the number of meetings held by the nomination committee or the board of directors (if there is no nomination committee) during the year and the record of individual attendance of members, on a named basis, at meetings held during the year.

Terms of Reference of the Nomination Committee

(adopted by the Board of Directors of China Agri-Industries Holdings Limited at a Board meeting held at 13th Floor, Tower A, COFCO Plaza, Beijing, P.R.C. on 16 February 2007 to take effect from the date when shares of China Agri-Industries Holdings Limited commence trading on The Stock Exchange of Hong Kong Limited)

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