

CHINA RESOURCES ENTERPRISE, LIMITED (“Company”)

Terms of Reference for Executive Committee

Constitution

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

Membership

2. The members shall be appointed by the Board and currently consist of the Chairman, the Managing Director, all Deputy Managing Directors, the director responsible for Corporate Planning and Development and the Head of the Internal Audit and any other members appointed by the Board. A majority of members shall form a quorum.
3. The Chair of the Committee shall be the Chairman, the Managing Director or the Deputy Managing Directors on a rotational basis and in his absence, members present may elect any member to chair a Committee meeting.

Attendance at meetings

4. The Group Financial Controller and the Head Legal Advisor are ex-officio attendees of the Committee. The Company Secretary or his delegate or such other person appointed by the Chair shall be the secretary of the Committee (“**Secretary**”).

Frequency and procedure of meetings

5. Meetings shall be held approximately on monthly basis and as and when necessary or as required by the Managing Director. 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.

Duties

8. The duties of the Committee shall be:
 - (a) to monitor the execution of the Company's strategic plans and the operations of all business units of the Company;
 - (b) to appoint and remove the Operating Management;
 - (c) to approve any changes to the scope of authority delegated to the Senior Management;
 - (d) to approve any excess in authority delegated to the Senior Management;
 - (e) to exercise the functions and responsibilities of the Board between its regular meetings; and
 - (f) any other matters specifically delegated to it by the Board.

Other Procedures

9. The Chair, in consultation with the Managing Director, should be primarily responsible for drawing up and approving the agenda of 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.