



新世界百貨中國有限公司

New World Department Store China Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 825)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Constitution

The board (the “**Board**”) of directors (the “**Directors**”) of New World Department Store China Limited (the “**Company**”) resolved on 28 February 2012 to establish a committee of the Board known as the Nomination Committee (the “**Committee**”).

Membership

1. The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members.
2. A majority of the members of the Committee should be independent non-executive Directors.
3. The chairman of the Committee shall be the chairman of the Board or an independent non-executive Director.

Frequency and proceedings of meetings

4. The Committee shall meet at least once every year.
5. Meetings of the Committee shall be convened by its chairman or at the request of the Board.
6. A quorum shall be two-third of the members of the Committee.

Authority

7. The Committee is authorised by the Board to review, assess and make recommendations upon any issue within these terms of reference.
8. The Committee is authorised by the Board, and at the reasonable expense of the Company, to seek independent professional advice to perform its responsibilities where necessary.
9. The Company should provide the sufficient resources to perform its duties and functions properly.

Duties and functions

The duties and functions of the Committee shall include:

10. 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 corporate strategy of the Company;
11. 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 of the Company taking into account the challenges and opportunities the Company faces and the skills and expertise the Company needs, with due regard to the diversity policy of the Company;
12. 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;
13. to determine the policy for the nomination of directors, and to adopt the nomination procedures and the process and criteria to select and recommend candidates for directorship during the year;
14. to assess the independence of the independent non-executive Directors;

An independent member shall notify the Board immediately, if, as a result of a change in circumstances, he/she no longer meets the criteria for independence. The Committee shall review the change in circumstances and make its recommendation to the Board;

15. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by applicable rules and regulations; and
16. to make recommendations concerning the measurable objectives for accomplishing diversity of the Board and to review the progress achieving those objectives.

Reporting Procedure

17. The Committee shall report back to the Board on their decisions or recommendations unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

1 September 2013