

KATE CHINA HOLDINGS LIMITED
中持基業控股有限公司
(Incorporated in Hong Kong with limited liability)

NOMINATION COMMITTEE
TERMS OF REFERENCE

Constitution

1. The board of directors (the “**Board**”) of Kate China Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) has resolved to establish a committee of the Board to be known as the Nomination Committee (the “**Committee**”) at a meeting held on 30 June 2014.

Membership and Quorum

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members (“**Members**”), a majority of whom shall be independent non-executive directors of the Company. A quorum shall be two members.
3. The chairman of the Committee shall either be the chairman of the Board or an independent non-executive director and appointed by the Board.
4. The appointment of the Members may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

Notice

5. A meeting of the Committee may be convened by any of its Members or by the company secretary.
6. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be issued to each member of the Committee and any other person required to attend no fewer than 3 working days prior to the date of the meeting. Notice of any adjourned meetings is not required if the adjournment is for less than 14 days.

Attendance at meetings

7. The Members have the right to attend meetings of the Committee. 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.
8. Only the Members are entitled to vote at the meetings.

Minutes of meetings

9. The minutes of meetings of the Committee shall be kept by the secretary of the Committee.
10. Draft and final versions of each minutes of the meeting of the Committee shall be sent to all Committee members for their comments and records respectively within a reasonable time after the meeting was held. Minutes of meetings of the Committee are open for inspection by any directors of the Company at the principal place of business of the Company at any reasonable time after a reasonable notice has been served on the secretary of the Committee.

Authority and Duties

11. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
12. The Committee is authorized by the Board to perform its duties within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
13. The Committee is authorised by the Board to perform its duties within the scope of these terms of reference and the Group should provide the Committee with sufficient resources to perform its duties.
14. 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 Group's corporate strategy;

- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Committee should consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (c) to receive nominations from shareholders or directors and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
- (d) to assess the independence of independent non-executive directors;
- (e) 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 Group (as defined in the Listing Rules);
- (f) 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;
- (g) to ensure that the circular to shareholders and/or explanatory statement accompanying the notice of the general meeting where an individual is being proposed to be elected as an independent non-executive Director sets out the views of the Committee about the suitability of the individual to be elected and about his/ her independency;
- (h) 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 the Listing Rules or applicable law;
- (i) to ensure the Chairman, or in the absence of the Chairman, another member of the Committee or failing this, his duly appointed delegate, to be available

to answer questions at the annual general meeting of the Company;

- (j) to ensure the presence of a formal, considered and transparent procedure for the appointment of new directors to the Board; and
- (k) to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

Consultation

- 15. The Committee shall consult the Board about any proposal relating to the selection of individuals nominated for directorship and at the expenses of the Group, have access to independent professional advice to perform its responsibilities where it considers necessary.

Secretary

- 16. The secretary of the Company (or his/her delegate) shall be the secretary of the Committee (the “**Secretary**”). The Secretary of the Committee or in his absence, his representative or any one member, shall be the secretary of the meetings of the Committee.

Meetings

- 17. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet not less than once a year.
- 18. The meetings and proceedings of the Committee shall follow the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable and are not replaced by the provisions in these terms of reference.
- 19. In the case of an equality of votes at a meeting of the Committee, the chairman of the meeting shall have the casting vote.

Reporting Procedures

- 20. The Secretary shall keep minutes of each Committee’s meeting. Draft and final versions of minutes of the Committee’s meetings shall be sent to all Members for their comments and records respectively, in both cases within a reasonable time from such meeting.

21. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

Adopted by the Board on 30 June 2014.