

Perfect Shape (PRC) Holdings Limited
(the “Company”)
Terms of Reference for Nomination Committee
(adopted on 5 December 2011, amended on 20 March 2012 and
amended on 25 June 2013)

Definitions

1. For the purposes of these terms of reference (the “Terms”):

Board means the board of directors of the Company.

Company means Perfect Shape (PRC) Holdings Limited.

Company Secretary means the company secretary of the Company.

Directors mean the members of the Board.

Group means the Company and its subsidiaries from time to time, and, for the period before the Company became the holding company for such subsidiaries, the entities which carried on the business of the Group.

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Nomination Committee means the nomination committee established by the resolution of the Board in accordance with clause 2 of these Terms.

Senior Management means the executive Directors and other members of senior management referred to in the Company’s prospectus issued in connection with its initial listing on the Stock Exchange or in its most recent annual report and any such other officer of the Group determined by the Board from time to time as senior management of the Company.

Shareholders mean the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Nomination Committee was established by resolutions of the Board on 5 December 2011.
3. These Terms of Reference were amended on 20 March 2012 pursuant to the Corporate Governance Code effective on 1 April 2012.
4. These Terms of Reference are amended on 25 June 2013.

5. The revised version shall supercede any terms of reference previously adopted by the board of directors of the Company.

Membership

6. The members of the Nomination Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors.
7. The chairman of the Nomination Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive Director.
8. The Company Secretary shall be the secretary of the Nomination Committee. The Nomination Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Nomination Committee.

Frequency and conduct of meetings

9. Meetings shall be held at least once a year. The chairman of the Nomination Committee shall convene a meeting upon request by any member of the Nomination Committee.
10. Notice of any meetings shall be given at least 7 days prior to any such meeting being held, unless all members of the Nomination Committee unanimously waiver such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Nomination Committee shall be deemed waiver of the requisite length of notice by such member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
11. The quorum for meetings of the Nomination Committee shall be two members. Meetings could be held in person, by telephone or by video conference.
12. Resolutions of the Nomination Committee at any meetings shall be passed by a majority of votes of the members of the Nomination Committee present. A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
13. The Senior Management is obliged to supply the Nomination Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Nomination Committee requires more information

than is volunteered by the Senior Management, the relevant member of the Nomination Committee should make additional necessary enquiries. The Nomination Committee and each of its members shall have separate and independent access to the Senior Management.

Annual General Meeting

14. The chairman of the Nomination Committee, or in the absence of the chairman of the Nomination Committee, another member of the Nomination Committee, or failing which, his duly appointed alternate, shall attend the Company's annual general meetings and be prepared to respond to any Shareholder's questions on the Nomination Committee's activities and its responsibilities.

Authority

15. The Nomination 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 employee and all employees are directed to co-operate with any request made by the Nomination Committee.
16. The Nomination Committee is authorised by the Board to obtain outside independent professional advice at the expense of the Company and to secure the attendance of outsiders with relevant experience and expertise if the Nomination Committee considers this necessary. The Nomination Committee shall be provided with sufficient resources to discharge its duties. The Nomination Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

Duties

17. The duties of the Nomination Committee shall include:
 - (a) reviewing the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - (b) making 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, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;

- (c) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;
- (d) assessing the independence of independent non-executive Directors;
- (e) review the Board Diversity Policy, as appropriate; and review the measurable objectives set by the Board for implementing such policy, and the progress of achieving the objectives; and provide information to the Company Secretary to make disclosure of its review results in the Corporate Governance Report annually; and
- (f) review succession planning for the Chairman, the Chief Executive as well as the senior management, after taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

Reporting procedures

- 18. Full minutes of the Nomination Committee's meetings should be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 19. Minutes of meetings of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all members of the Nomination Committee for their comment and records within a reasonable time after the meetings.
- 20. Without prejudice to the generality of the duties of the Nomination Committee set out above, the Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

Terms available

- 21. The Nomination Committee shall make available these Terms by inclusion on the websites of the Stock Exchange and the Company's official website for corporate communications.