SJM HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 880)

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Latest version
(as at 26 February 2014)

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TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. Purposes

The primary purpose and responsibility of the Nomination Committee (the "**Committee**") of SJM Holdings Limited (the "**Company**") is to identify and recommend individuals qualified to serve as a director on the board of directors of the Company (the "**Directors**" and collectively, the "**Board**") and to fill vacancies on the Board.

2. Composition

2.1 Membership

The Committee shall consist of at least three Directors and a majority of whom should be independent non-executive Directors. The Board will designate a committee member as the chairman of the Committee, or if the Board does not do so, the committee members will appoint a committee member as chairman by a majority vote of the authorized number of committee members. The chairman of the Committee should be the chairman of the Board or an independent non-executive Director.

Each member shall disclose to the Committee his interest in any matter to be decided by the Committee. If a member has a conflict of interest which the Committee has determined to be material, the matter should not be dealt with by unanimous written consent of the Committee and the interested member shall not vote nor be counted in the quorum in respect of the relevant resolution(s). Besides, he shall also be physically absent from the venue of the meeting during the time the relevant transaction is being discussed and voted on by the other members.

2.2 Independence

The independent non-executive Directors appointed to the Committee must have been determined by the Board to be independent as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), as they may be amended from time to time.

2.3   Appointment

Subject to the requirements of the Listing Rules, the Board may appoint and remove committee members in accordance with the Articles of Association of the Company ("**Articles of Association**"). Committee members will serve for such terms as the Board may fix, and in any case at the will of the Board, whether or not a specific term is fixed.

3.   Functions

3.1   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 Company's corporate strategy;

3.2   to identify individuals suitably qualified to become additional Directors or to fill Board vacancies as and when they arise and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3.3   to assess the independence of independent non-executive Directors;

3.4   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 (as defined in the Listing Rules); and

3.5   to consider other topics, as defined by the Board.

4.   Annual review

The Committee will review its terms of reference on an annual basis.

5.   Meetings, reports and resources

5.1   Meetings

5.1.1   The Committee will meet as often as it determines is necessary, but not less than annually.   Meetings can be held by way of electronic means of communications.

5.1.2   The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide consistent with the Articles of Association.

5.1.3 The Committee may meet in separate executive sessions with other Directors, the chief executive (as defined in the Listing Rules) and other Company employees, agents or representatives invited by the Committee.

5.2 Procedures

5.2.1 The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with these terms of reference, the Articles of Association and other corporate governance documents, the Listing Rules and applicable laws or regulations.

5.2.2 The chairman of the Committee or majority of the Committee members may call meetings of the Committee. The secretary of the Committee on requisition of the chairman of the Committee or majority of the Committee members may also call meetings of the Committee.

5.2.3 A majority of the authorized number of Committee members will constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present will be the act of the Committee, unless in either case a greater number is required by these terms of reference, the Articles of Association or the Listing Rules. In case of an equality of votes, the chairman of the Committee shall have a second or casting vote.

5.2.4 The Company Secretary of the Company shall be the secretary of the Committee. Full minutes of the Committee meetings should be kept by the Company Secretary. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records, within a reasonable time after the meeting is held.

5.3 Reports

The Committee will report to the Board the major items covered by the Committee at each Committee meeting, and provide additional reports to the Board as the Committee may determine to be appropriate.

5.4 Committee access and information

5.4.1 The Committee is at all times authorized to have direct, independent and confidential access to the Company's other Directors, management and personnel to carry out the Committee's purposes.

5.4.2 The Committee is authorized to obtain at the Company's expense services for identifying Director candidates and other data and documentation as the Committee considers appropriate.

5.5 Committee advisers and funding

The Committee will have sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

(The English text of this Terms of Reference shall prevail over the Chinese text in case of any inconsistency.)