

AEON STORES (HONG KONG) CO., LIMITED

永旺（香港）百貨有限公司

(the “Company”)

(Stock Code: 984)

**TERMS OF REFERENCE AND OPERATION
OF
NOMINATION COMMITTEE**

Membership

1. The Nomination Committee (the “Committee”) shall consist of at least three members and a majority of the members shall be independent non-executive directors appointed by the board of directors (the “Board”) of the Company from time to time.
2. The chairman of the Committee shall be the Chairman of the Board.

Frequency and proceedings of meetings

3. The Committee shall meet at least once annually.
4. The quorum of a meeting shall be two members of the Committee present in person.
5. Proceedings of meetings of the Committee shall be governed by the provisions of Article 120 of the Articles of Association of the Company.
6. The Company Secretary or in his absence, his delegate shall act as the secretary of the Committee meetings.

Authority and Duties

7. The Committee shall:
 - (a) 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;
 - (b) 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;
 - (c) assess the independence of the independent non-executive directors;

- (d) 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;
- (e) be provided sufficient resources to perform its duties; and
- (f) where necessary, seek independent professional advice, at the Company's expense, to perform its responsibilities.

13 January 2012