



**Stella International Holdings Limited**

**九興控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1836)**

**(the "Company")**  
**Terms of Reference for Nomination Committee**

**Constitution**

The board of directors (the "**Board**") of the Company has established a standing committee of the Board known as the Nomination Committee.

**Objectives**

The Nomination Committee has been established to ensure a fair and transparent process of Board appointments, in particular to assist the Board to identify suitable candidates and make recommendations for consideration of the Board and shareholders.

**Membership**

The Nomination Committee shall be appointed by the Board and can be removed by the Board at its sole discretion. The Nomination Committee shall comprise a minimum of three directors.

The majority of the members of the Nomination Committee (the "**Members**" and a "**Member**" refers to any one of them) shall be independent non-executive directors.

The chairman of the Nomination Committee shall be appointed by the Board and must be the chairman of the Board or an independent non-executive director.

*\* For identification purpose only*

The Board shall from time to time vary the composition of the Nomination Committee as may be required by the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (as modified from time to time) or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or other codes, rules and regulations as may be prescribed by the Hong Kong Securities and Futures Commission or any other applicable regulatory authority from time to time (the "**Applicable Laws**").

The term of office of a Member will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Board as a whole and that of other committees from time to time.

The company secretary of the Company (the "**Company Secretary**") shall be the secretary of the Nomination Committee. The Company Secretary may delegate her duties, or parts thereof, under these Terms of Reference, to a deputy appointed by her in consultation with the chairman of the Nomination Committee.

### **Authority**

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

The Nomination Committee shall be provided with sufficient resources to perform its duties.

The Nomination Committee is authorised to obtain independent advice or assistance from any person, including professional consultants, whom it regards as competent to give such advice or assistance, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary. The Nomination Committee shall have sole authority to approve related fees and retention terms, and any expenses incurred shall be borne by the Company.

The Nomination Committee may delegate its authority to subcommittees or the chairman of the Nomination Committee when it deems appropriate and in the best interests of the Company.

## **Reporting Procedures**

The Nomination Committee shall report to the Board orally or in writing as appropriate to perform its duties as required under the Listing Rules and under these terms of reference. In particular, at the first meeting of the Board following a meeting of the Nomination Committee, the chairman of the Committee shall report the findings, decisions or recommendations made by the Nomination Committee since the last Board meeting to the Board.

## **Nomination Committee Meetings**

**Frequency** Meetings of the Nomination Committee are in principle called by the Chairman of the Nomination Committee. The Nomination Committee shall meet as often as required for the proper functioning of the Nomination Committee and it is expected that it shall meet at least twice a year. In particular, the Nomination Committee shall meet before the holding of a general meeting or Board meeting where appointment of directors will be considered.

**Notice** Notice of any meetings of the Nomination Committee has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meeting is not required if the adjournment is less than 14 days.

**Quorum** The quorum for meetings of the Nomination Committee should be two members, one of whom should be an independent non-executive director.

**Attendance** Only Members (and the Company Secretary and/or her duly appointed deputy, acting in their capacity as the secretary to the Nomination Committee) are entitled to attend the meetings of the Nomination Committee. However, the Nomination Committee may invite the following persons to attend the meetings of the Nomination Committee, without the authority to vote, if it considers appropriate:

- legal counsel;
- professional consultants or any other external personnel; and
- any other officer or director of the Company.

***Annual General Meeting of the Company*** The Chairman of the Nomination Committee shall attend the annual general meeting. If the Chairman is unable to attend the annual general meeting, another member of the Nomination Committee, or failing this, his duly appointed delegate, shall attend to answer questions at the annual general meeting.

### **Resolutions**

Resolutions of the Nomination Committee shall be passed by a majority of votes, which can also be passed by way of unanimous written resolutions. Meetings can be held in person, by telephone or by video conference or by means of other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

### **Minutes**

The secretary of the Nomination Committee should keep full minutes of all Nomination Committee meetings. Draft and final versions of minutes of meetings of the Nomination Committee should be sent to all Members for their comment and records respectively, within a reasonable time after the meeting.

Minutes of all Nomination Committee meetings will also be sent to other members of the Board at the same time when they are sent to Members.

### **Duties**

The duties of the Nomination Committee shall include the following aspects:

- 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;
- to formulate a policy of selection and nomination of directors and the procedures for the sourcing of suitably qualified directors for consideration of the Board and implement such a policy and procedures once approved;
- to report to the Board on compliance with the Board composition rules and guidelines under the Listing Rules or the Applicable Laws;

- 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;
- to ensure sufficient biographical details of nominated candidates are provided to the Board and shareholders to enable them to make a decision regarding selection of the Board members;
- to assess the independence of independent non-executive directors;
- to make recommendations to the Board on the appointment or re-appointment of both executive and non-executive directors (including re-election by shareholders of directors by rotation) and succession planning for directors, in particular the chairman and the chief executive;
- to review from time to time as appropriate these Terms of Reference and the effectiveness of the Nomination Committee and recommend to the Board any necessary changes; and
- to do any such things to enable the Nomination Committee to perform its duties conferred on it by the Board from time to time.

### **Publication of these Terms of Reference**

These Terms of Reference will be posted on the website of the Company and that of the Stock Exchange. A copy of these Terms of Reference will be made available on request.

*Approved and adopted by the Board on 15 June 2007*

*Updated on 6 February 2009*

*First Revision by the Board on 21 March 2012*