



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 Remuneration Committee

Constitution

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

Objectives

The Remuneration Committee has been established to assist the Board in developing and administering a formal, fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company and for making recommendations to the Board on their remuneration packages and to review and oversee the Company's overall human resources strategy.

Membership

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

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

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

** For identification purpose only*

The Board shall from time to time vary the composition of the Remuneration 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 Remuneration 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 Remuneration Committee.

Authority

The Remuneration 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 Remuneration Committee shall consult the chairman and/or chief executive about their remuneration proposals for other executive directors.

The Remuneration Committee is authorised to consult and seek any information it requires from any employee, senior management or director of the Company in order to perform its duties.

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

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

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

Reporting Procedures

The Remuneration 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 Remuneration Committee, the chairman of the Committee shall report the findings, decisions or recommendations made by the Remuneration Committee since the last Board meeting to the Board.

Remuneration Committee Meetings

Frequency Meetings of the Remuneration Committee are in principle called by the Chairman of the Remuneration Committee. The Remuneration Committee shall meet as often as required for the proper functioning of the Remuneration Committee. However, the Remuneration Committee shall endeavour to meet at least twice a year.

The Remuneration Committee shall decide if and when the chairman of the Board and/or chief executive of the Company should attend its meetings. The chairman of the Board and/or chief executive of the Company shall not attend meetings of the Remuneration Committee where his own remuneration is discussed.

Notice Notice of any meetings of the Remuneration 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 Remuneration Committee should be any two Members, of whom at least one has to 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 Remuneration Committee) are entitled to attend the meetings of the Remuneration Committee. However, the Remuneration Committee may invite the following persons to attend the meetings of

the Remuneration 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 Remuneration Committee shall attend the annual general meeting. If the Chairman is unable to attend the annual general meeting, another member of the Remuneration Committee, or failing this, his duly appointed delegate, shall attend to answer questions at the annual general meeting.

Resolutions

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

Minutes of all Remuneration 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 Remuneration Committee shall include the following aspects:

- to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal, fair and transparent procedure for developing remuneration policy;

- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to review the Company's overall human resources strategy and to make recommendations to the Board for changes and improvement in this regard;
- to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including, without limitation, base salaries, bonuses, deferred compensation, stock options, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- to make recommendations to the Board on the remuneration of non-executive directors;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- to administer and oversee the Company's share option and share award scheme in accordance with the terms of the scheme, including any other share incentive schemes or other equity based schemes of the Company in place from time to time;
- to ensure that no director or any of his associates is involved in deciding his own remuneration;
- when the occasion arises, to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules;

- to review and approve disclosure statements of the Company's remuneration policy for directors and senior management;
- to review from time to time as appropriate these Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes; and
- to address and deal with such other matters as may be delegated by the Board to the Remuneration Committee.

Notes:

“Senior management” refers to the same persons as referred to in the Company's annual report and required to be disclosed under the Listing Rules.

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

First Revision by the Board on 20 March 2009

Second Revision by the Board on 21 March 2012