

**Stella International Holdings Limited**  
**(the "Company")**  
**Terms of Reference for Corporate Governance Committee**

**Constitution**

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

**Members**

Mr. Shih Takuen, Daniel (Chairman of the Corporate Governance Committee)

Mr. Chen Jiann-Min, Jimmy

Mr. Chu Pao-Kuei

Mr. John Terence Hung, *SBS, JP*

**Objectives**

The Corporate Governance Committee has been established to introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Company.

**Membership**

The Corporate Governance Committee and its chairman shall be appointed by the Board and can be removed by the Board at its sole discretion. The Corporate Governance Committee shall comprise a minimum of three directors (the "**Members**" and a "**Member**" refers to any one of them).

The Board shall from time to time vary the composition of the Corporate Governance Committee as may be required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (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 Corporate Governance 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 Corporate Governance Committee.

### **Authority**

The Corporate Governance 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 Corporate Governance Committee shall be provided with sufficient resources to discharge its duties.

The Corporate Governance Committee is authorised to obtain 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 Corporate Governance Committee shall have sole authority to approve related fees and retention terms.

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

### **Reporting Procedures**

The Corporate Governance Committee shall report to the Board orally or in writing on a regular basis. In particular, at the first meeting of the Board following the meeting of the Corporate Governance Committee, the chairman of the Committee shall report their findings, decisions or recommendations to the Board.

### **Corporate Governance Committee Meetings**

***Frequency*** Meetings of the Corporate Governance Committee are in principle called by the Chairman of the Corporate Governance Committee. The Corporate Governance Committee shall meet with such frequency as required to discharge its duties and it is expected that it shall meet at least twice a year.

***Notice*** Notice of any meetings of the Corporate Governance 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 Corporate Governance Committee should be two members.

***Attendance*** Only Members are entitled to attend the meetings of the Corporate Governance Committee. However, the Corporate Governance Committee may invite the following persons to attend the meetings of the Corporate Governance Committee, without the authority to vote, if it considers appropriate:

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

### **Resolutions**

Resolutions of the Corporate Governance 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.

### **Minutes**

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

Minutes of all Corporate Governance 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 Corporate Governance Committee shall include the following aspects:

- to review the corporate governance practice of the Company and monitoring compliance with relevant requirements under the Listing Rules and other Applicable Laws, including the Code of Corporate Governance Practices in Appendix 14 to the Listing Rules;
- to review and approve the annual corporate governance report and related disclosures in the annual and interim reports of the Company and ensuring compliance with relevant requirements under the Listing Rules and other Application Laws, including the requirements set out in Appendix 23 to the Listing Rules;
- to monitor each of the Audit Committee, Remuneration Committee and Nomination Committee has duly discharged their respective duties and obligations in accordance with their respective terms of reference, the Listing Rules and any Applicable Laws;
- to monitor proper segregation of duties between the Chairman and the Chief Executive Officer of the Company;
- to develop, review and formalise the scope of matters for Board decision and matters to be delegated by the Board to the management of the Company;
- to review and monitor the Company's process of disclosure, including assessing and verifying the accuracy and materiality of price-sensitive information and determine the form and content of any required disclosure;
- to review and monitor the Company's communication policy with its shareholders to ensure a high degree of transparency and that the shareholders are informed of relevant information on a regular basis thus allowing them to

evaluate the Company's performance and prospects;

- to conform to and abide by any requirement, direction and regulation that may be prescribed by the Board or contained in the constitutional documents of the Company or imposed by the Listing Rules or the Applicable Laws;
- to review from time to time as appropriate these Terms of Reference and the effectiveness of the Corporate Governance Committee and recommend to the Board any necessary changes;
- to do any such things to enable the Corporate Governance Committee to discharge its duties conferred on it by the Board from time to time; and
- to address and deal with such other matters as may be delegated by the Board to the Corporate Governance Committee.

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

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

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