



Qunxing Paper Holdings Company Limited  
群星紙業控股有限公司

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

**(Stock Code: 3868)**

---

**Terms of Reference of Nomination Committee**

---

**1. Constitution**

1.1 The nomination committee (the “**Committee**”) of Qunxing Paper Holdings Company Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors (the “**Board**”) of the Company at its meeting held on 8 September 2007.

**2. Membership**

2.1 The Committee shall consist of not less than three members (the “**Member(s)**”), a majority of whom shall be independent non-executive directors (the “**Director(s)**”) of the Company.

2.2 All the Members shall be appointed by the Board and can be removed by the Board at its sole discretion.

2.3 The chairman (the “**Chairman**”) of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an independent non-executive Director.

2.4 The company secretary of the Company shall be the secretary (the “**Secretary**”) of the Committee.

**3. Meetings**

3.1 The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.

3.2 Unless otherwise agreed by all the Members, a Committee meeting shall be called by at least two days’ notice.

3.3 The quorum of a Committee meeting shall be two Members.

3.4 Resolutions of the Committee shall be passed by a majority of votes which could also be passed by way of unanimous written resolutions. Meetings could be held in person, by telephone or by video conference.

3.5 Full minutes shall be kept by the Secretary. Draft and final versions of minutes shall be circulated to all the Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be open for Directors’ inspection.

#### **4. Authority**

- 4.1 The Committee should report directly to the Board.
- 4.2 The Committee may seek independent professional advice in appropriate circumstances at the Company's expense to perform its duties.
- 4.3 The Committee is granted an authority to investigate any activity within its terms of reference and all employees of the Company must cooperate as requested by the Members.
- 4.4 The Committee should be provided with sufficient resources to perform its duties.

#### **5. Duties**

- 5.1 The duties of the Committee shall be:
  - (a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, race, skills, knowledge, regional, industry and professional experience and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
  - (b) 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;
  - (c) to assess the independence of the independent non-executive Directors;
  - (d) taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, 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;
  - (e) to review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
  - (f) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
  - (g) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

#### **6. General**

- 6.1 The Chairman or in his absence, another Member, or failing this his duly appointed delegate shall attend the annual general meetings of the Company prepared to respond to any shareholder questions on the Committee's affairs.
- 6.2 The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.

November 2013