



## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

### **TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

#### *Constitution*

1. The board of directors (the “**Board**”) of China Star Entertainment Limited (the “**Company**”) has resolved to establish a committee of the Board to be known as the Nomination Committee.

#### *Membership*

2. The Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than three members, a majority of whom should be independent non-executive directors who shall meet and maintain the independent requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A quorum should be two members.
3. The Board shall appoint one member of the Nomination Committee (who shall be the chairman of the Board or an independent non-executive director) as the chairman of the Nomination Committee (the “**Chairman**”).

#### *Attendance at meetings*

4. The Chairman shall normally attend meetings.
5. The Company Secretary shall be the secretary of the Nomination Committee.

#### *Frequency of meeting*

6. Meetings shall be held as and when required.

#### *Authority*

7. The Nomination Committee is authorized by the Board and where necessary, the Nomination Committee shall seek independent professional advice, at the Company’s expense, to perform its responsibilities.

#### *Duties*

8. The duties of the Nomination Committee shall be:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on proposed changes to the Board to complement the Company's corporate strategy;
- (b) 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) assess the independence of independent non-executive directors; and
- (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 Vice Chairman.

#### *Reporting Procedures*

- 9. The minutes of the Nomination Committee meetings should be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Nomination Committee meetings should be sent to all members of the Nomination Committee for their comment and records within a reasonable time after the meeting.
- 10. The Nomination Committee shall report to the Board on the matters set out in these Terms of Reference and the Code Provisions as and when necessary, and shall promptly report back to the Board on its decisions and recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

#### *General*

- 11. The Nomination Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of the Company and The Stock Exchange of Hong Kong Limited.
- 12. The Nomination Committee should be provided with sufficient resources to perform its duties.
- 13. The Chairman of the Nomination Committee or, in his/her absence, another member of the Nomination Committee or failing this, his/her appointed delegate as invited by the Chairman for the Board should attend annual general meetings to answer any questions from the shareholder.

Dated: 30 March 2012