



CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

(the “Company”)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

1. Constitution

The Nomination Committee (the “**Committee**”) is established pursuant to a resolution passed by the Board of Directors (the “**Board**”) of the Company on 7 December 2014.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from among the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive directors of the Company.

2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall either be the chairman of the Board or one of the independent non-executive directors in the Committee.

2.3 The secretary of the Committee (the “**Secretary**”) shall also be appointed by the Board.

2.4 The appointment of the members and Secretary may be revoked, or additional members may be appointed to the Committee by resolutions passed by the Board.

3. Frequency and proceedings of meetings

3.1 The Committee shall meet at least once a year and at such other times as the Committee shall require.

3.2 Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members present. In the case of equality votes, the Chairman shall have a second or casting vote.

4. Quorum

4.1 A quorum necessary for the transaction of the business of the Committee shall be two members, a majority of the members present should be independent non-executive directors.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Attendance at meetings

5.1 Only members of the Committee have the right to attend the meeting.

5.2 Other executives of the Company and its subsidiaries (the “Group”) may be invited by the Committee to attend all or part of any meeting, as and when appropriate but shall not be counted in the quorum of the relevant meetings.

6. Notice of Meetings

6.1 Meeting of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and other supporting documents, shall be sent to each member of the Committee, and to any other person required to attend:

- (a) in relation to all regular meetings of the Committee, at least 14 days before the date of the meeting;
- (b) in relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.

6.3 Notice shall be given to each member of the Committee, and to any other person required to attend, in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the Secretary by such member of the Committee or in such other manner as such member of the Committee may from time to time determine.

6.4 Any notice given orally shall be followed by confirmation in writing before the meeting of the Committee.

7. Alternate members

A member of the Committee may not appoint any alternate.

8. Authority

The Committee may exercise the following powers:

- (a) to obtain sufficient resources to perform its duties including access to independent profession advice, at the Company's expense, if it considers necessary;
- (b) to determine the policy for the nomination of directors of the Company for the Board's consideration;
- (c) to delegate its authority and duties to sub-committees, or individual members, as it deems appropriate;
- (d) to do any such things to enable the Committee to discharge its authority and duties conferred on it by the Board.

9. Duties

The duties of the Committee shall be:

- (a) 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;

- (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 independent non-executive directors of the Company; and
- (d) 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 officer of the Company.

10. Minutes of meetings

10.1 The Secretary, or his/her delegate, in attendance at the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Committee and/or dissenting views expressed.

10.2 Draft and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comments and records respectively, in both case within a reasonable time after the meeting. Once they are agreed, the Secretary shall circulate the minutes and reports of the Committee to all members of the Committee and to all members of the Board.

10.3 Minutes of meetings of the Committee shall be kept by the Secretary and shall be available for inspection by any member of the Committee or other members of the Board at any reasonable time or reasonable notice.

11. Reporting Responsibilities

11.1 The Chairman shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities as well as its decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its authority where action or improvement is needed.

11.3 The Chairman, or in the absence of the Chairman, a member, or failing this his duly appointed delegate, shall attend the annual general meeting of the Company and make himself available to respond to any questions from the shareholders of the Company on the Committee's activities and responsibilities.

12. Continuing applications of the constitutional documents of the Company

The constitutional documents of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

13. Power of the Board

The Board may, subject to compliance with the constitutional documents of the Company and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, amend, supplement and revoke these terms of reference provided that no amendments to and revocation of these terms of reference shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference had not been amended or revoked.

14. Others

14.1 The 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 Stock Exchange's website and the Company's website.

14.2 Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.

- 14.3 The Committee should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report.
- 14.4 The Committee shall have access to sufficient resources in order to perform its duties. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Chairman. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 14.5 All members of the Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Committee and all applicable laws, rules and regulations are followed.
- 14.6 In the event that the Committee or any member of the Committee requires access to independent professional advice in connection with his/her duties, a request may be made to the Secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 14.7 At the expense of the Company, every newly appointed member of the Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Committee.
- 14.8 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 14.9 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

15. Language

If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.