



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 CORPORATE GOVERNANCE
COMMITTEE OF THE BOARD OF DIRECTORS**

1. Constitution

The Corporate Governance Committee of the Company is established pursuant to a resolution passed by the Board at its meeting held on 7 December 2014.

2. Membership

2.1 The members of the Corporate Governance Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members and a majority of whom shall be independent non-executive directors of the Company. A director shall automatically cease to be a member of the Committee if such member ceases to be a member of the Board.

2.2 The chairman of the Committee shall be appointed by the Board. In the absence of the chairman, the remaining members shall elect another member of the Committee to be the chairman of the meeting.

2.3 The secretary of the Committee shall be the company secretary of the Company. In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the secretary.

3. Proceedings of the Committee

3.1 Notice

- a. Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice, and shall be sent to each member of the Committee and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.
- b. Any member of the Committee may, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone, by email, by facsimile transmission or any other electronic means at the telephone number, email address or facsimile number from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- c. Any notice given orally shall be confirmed in writing.
- d. Notice of meeting shall include the purpose, place, date and time of the meeting. An agenda and accompanying supporting documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be circulated to all members of the Committee and other attendees in a timely manner and at least three days before the intended date of the meeting.

3.2 Quorum

The quorum for meetings of the Committee shall be any two members.

3.3 Frequency

The Committee shall hold at least one regular meeting in a year. Additional meeting could be held as and when required.

4. Written resolutions

- 4.1 A resolution signed by all the members of the Committee shall be valid as if it had been passed at a meeting of the Committee.
- 4.2 Draft and final versions of minutes of Committee meetings shall be sent to all members for their comment and records, within a reasonable time after the meeting. The final version of the minutes shall be signed by the chairman of the Committee or the chairman of the Committee meeting as appropriate.

5. Attendance at meetings

Meetings could be held in person, or by means of such conference telephone, electronic or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other, and participation in such a meeting shall constitute presence in person at such meeting. Other attendees shall normally attend meetings of the Committee.

6. Authority

The Committee may exercise the following powers in order to perform its duties:

- a. To seek any information it requires from any employee of the Company (together with its subsidiaries from time to time);
- b. To access to independent professional advice if necessary at the Company's expense and be provided with sufficient resources; and
- c. To review these terms of reference annually and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary.

7. Duties

The duties of the Committee shall include, but not limit:

- a. To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- b. To review and monitor the training and continuous professional development of directors and senior management;
- c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- e. To review the Company's compliance with the code and disclosure in the Corporate Governance Report.

8. Reporting procedures

- 8.1 The secretary of the Committee shall circulate all minutes of the meetings and written resolutions of the Committee to all members of the Board.
- 8.2 The chairman of the Committee 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.

9. Minutes and records

- 9.1 Full minutes of the meetings and written resolutions of the Committee should be kept by the secretary of the Committee.
- 9.2 Draft and final versions of the minutes of the Committee should be circulated to all member of the Committee for their comment and records respectively within a reasonable time after the meeting. Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.
- 9.3 The secretary of the Committee shall record individual attendance of members of the Committee, on a named basis, at meetings.

10. Publication of the terms of reference of the Committee

The terms of reference of the Corporate Governance Committee and the authority delegated by the Board, should be posted on the website of the Company and the website of the Stock Exchange.