



**GENVON GROUP LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2389)**

Terms of Reference (“TOR”) for the Board of Directors updated on 8 October 2014.

**Board of Directors**

The Company should be headed by an effective board which should assume responsibility for leadership and control of the Company and be collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. Directors should take decisions objectively in the interests of the Company.

**Formation**

1. The Board shall consist of not less than 2 executive directors and 3 independence non-executive directors (“Directors”).
2. The term of a Director shall be not more than 3 years expiring at the conclusion of the annual general meeting held in the third year following the year of his or her appointment.
3. Under rule 3.10, the board of directors of the Company should include at least three independent non-executive directors.
4. The Company should appoint independent non-executive directors representing not less than one-third of the board.
5. The independent non-executive directors should be expressly identified as such in all corporate communications that disclose the names of directors of the Company.
6. The Company should maintain on its website an updated list of its directors identifying their role and function and whether they are independent nonexecutive directors.

**Appointments, re-election and removal**

1. Non-executive directors should be appointed for a specific term, subject to reelection.
2. All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

3. Serving more than nine years could be relevant to the determination of a nonexecutive director's independence. If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders. The board should set out to shareholders in the papers accompanying a resolution to elect such an independent nonexecutive director the reasons they believe that the individual continues to be independent and why he should be re-elected.
4. Every director should ensure that he can give sufficient time and attention to the affairs of the Company and should not accept the appointment if he cannot do so.
5. Every newly appointed director of an Company should receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such briefing and professional development as is necessary, to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities under statute and common law, the Exchange Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.

### **Meeting and Quorum**

1. The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected that such regular board meetings will normally involve the active participation, either in person or through other electronic means of communication, of a majority of directors entitled to be present. Accordingly, a regular meeting does not include the practice of obtaining board consent through the circulation of written resolutions.
2. The quorum necessary for the transaction of the business of Board shall be two.
3. Arrangements should be in place to ensure that all directors are given an opportunity to include matters in the agenda for regular board meetings.
4. Notice of at least 14 days should be given for board meeting related to result announcement to give all directors an opportunity to attend. For all other board meetings, 7 days' notice will be given by the secretary. Shorter notice may be agreed by Directors who attending the meeting.
5. In respect of regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).
6. Questions arising at any meeting shall be determined by a majority of votes. Chairman of the meeting has casting vote when the votes of the other members are equal on both sides.
7. Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and such minutes should be open for inspection at any reasonable time on reasonable notice by any director.

8. Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered by the board and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of board meetings should be sent to all directors for their comment and records respectively, in both cases within a reasonable time after the board meeting is held.
9. If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting.
10. Subject to the Company's constitutional documents, and the law and regulations of its place of incorporation, a director's attendance by electronic means including telephonic or videoconferencing may be counted as attendance at a physical board meeting.
11. Where signatures from all members of the board are obtained, the board is entitled to pass written resolutions.

### **Chairman**

1. The chairman should be appointed by the Company's Board of directors from time to time, and being elected as the chairman of each board meeting.
2. The chairman should ensure that all directors are properly briefed on issues arising at board meetings.
3. The chairman should be responsible for ensuring that directors receive adequate information, which must be complete and reliable, in a timely manner.
4. One of the important roles of the chairman is to provide leadership for the board. The chairman should ensure that the board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the board in a timely manner. The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate such responsibility to a designated director or the company secretary.
5. The chairman should take responsibility for ensuring that good corporate governance practices and procedures are established.
6. The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that the board acts in the best interests of the Company.
7. The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

8. The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the board as a whole.
9. The chairman should facilitate the effective contribution of non-executive directors in particular and ensure constructive relations between executive and non-executive directors.

### **Powers of directors**

1. All directors are entitled to have access to board papers and related materials. Such papers and related materials should be prepared in such form and quality as will enable the board to make an informed decision on matters placed before it. Where queries are raised by directors, steps must be taken to respond as promptly and fully as possible.
2. All directors should have access to the advice and services of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.
3. Upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. The board should resolve to provide separate independent professional advice to directors to assist the relevant director or directors to discharge his/their duties to the Company.
4. The Committee is entitled to invite third parties, other members of the Board of Directors, senior management and staff of all functional departments to attend meetings of the Committee.

### **Responsibilities of directors**

1. The board should regularly review the contribution required from a director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.
2. All directors should participate not less than 4 hours in a programme of continuous professional development per year to develop and refresh their knowledge and skills to help ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding a suitable development programme.
3. Each director should disclose to the Company at the time of his appointment, and on a periodic basis, the number and nature of offices held in public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. The board should determine for itself how frequently such disclosure should be made.

4. The functions of non-executive directors should include but should not be limited to the following:
  - (a) participating in board meetings of the Company to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
  - (b) taking the lead where potential conflicts of interests arise;
  - (c) serving on the audit, remuneration, nomination and other governance committees, if invited; and
  - (d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.
5. Non-executive directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.
6. Non-executive directors, as equal board members, should give the board and any committees on which they serve such as the audit, remuneration or nomination committees the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.
7. The board should be responsible for performing the corporate governance duties or it may delegate the responsibility to a committee or committees., corporate governance duties includes:
  - (a) to develop and review an 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;
  - (e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report; and
  - (f) the Board shall hold corporate governance functions meeting at least once a year.
8. The Company should arrange appropriate insurance cover in respect of legal action against its directors.
9. The interpretation right to this TOR shall be vested on the Board of Directors of the Company.