

**TERMS OF REFERENCE  
THE BOARD OF DIRECTORS**  
*(adopted on 29 February 2012)*



**1. PRINCIPAL FUNCTIONS**

- 1.1 The principal functions of the Board of Directors (the “Board”) of G-Resources Group Limited (the “Company”) are to supervise the management of the business and Company’s affairs; to approve the Company’s strategic plans, investment and funding decisions; to review the Company and its subsidiaries’ (the “Group”) financial performance and operative initiatives.
- 1.2 The role of the independent non-executive directors (“INED”) is to bring an independent and objective view to the Board’s deliberations and decisions. The INEDs must have appropriate professional qualifications, or accounting or related financial management expertise, so that they are of sufficient calibre and number for their views to carry weight. The INEDs may also take independent professional advice at the Company’s expense in carrying out their functions. The day-to-day running of the Company is delegated to the management, with divisional heads responsible for different aspects of the business.
- 1.3 Subject to the Appendix 14 to the Listing Rules (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the procedures of the Board shall be regulated by the provision of this Terms of Reference (the “Terms of Reference”).

**2. MEMBERSHIP**

- 2.1 The number of directors shall not be less than two. According to the Listing Rules, a) every Board must include three INEDs; and b) at least one of the INEDs have appropriate professional qualifications or accounting or related financial management expertise. The quorum for a meeting shall be two directors.

2.2 Subject to Company's Bye-law 102 but notwithstanding any other provision in the Bye-laws, at each annual general meeting one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring directors shall be eligible for re-election. The Company at any general meeting at which any directors retire may fill the vacated office.

### **3. ATTENDANCE AT MEETINGS**

3.1 The Board may invite the Chief Financial Officer and any employee of the Company to attend the Board meeting.

3.2 The company secretary shall act as the secretary of the Board.

### **4. FREQUENCY OF MEETINGS**

The Board shall meet at least four times a year at approximately quarterly intervals and otherwise as required.

### **5. NOTICE OF MEETINGS**

5.1 Meetings of the Board shall be convened by the secretary of the Company and at the request of any directors.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, shall be forwarded to each member of the Board and any other person required to attend at least 14 days before the date of the meeting. Agenda of items to be discussed together with the supporting papers shall be sent to Board members and to other attendees as appropriate, at least 3 clear days in advance of the meeting.

5.3 Arrangements should be in place to ensure that all directors are given an opportunity to include matters in the agenda for regular Board meetings.

### **6. AUTHORITY**

There should be a procedure agreed by the Board to enable directors, 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.

## 7. DUTIES

The duties of the Board shall be:-

- (a) to manage the business of the Group in accordance with the Company's Bye-laws;
- (b) to ensure compliance with the Company's Bye-laws and the laws, rules and regulations governing the Group;
- (c) without prejudice to the generality of the foregoing:-
  - i) to establish, adopt and review the Group's vision, mission, principles, policies and values;
  - ii) to oversee and enhance the Group's development, to adopt and monitor its strategic and annual operating plan, and to approve its financial budget;
  - iii) to nominate candidates to fill any casual vacancies and to stand for election by shareholders;
  - iv) to review the Board's performance and its members' independence;
  - v) to form any committee(s), appoint members thereto, delegate at any time and from time to time to any person or committee(s), any of its powers and functions conferred on it hereunder, review and approve the reports of the committees(s), review their performance and revise their composition and terms of reference as appropriate;
  - vi) to oversee all matters and to formulate policies in relation to the Group's internal control, businesses and corporate accommodation, investment, succession plans, remuneration and compensation for directors and employees, risk management, corporate governance and corporate social responsibility, and to supervise the Group's management to implement such policies;
  - vii) to select, appoint, evaluate and if necessary, remove any Group's senior executives, including without limitation the Chief Executive, the Chief Financial Officer and the Company Secretary;
  - viii) to review the Group's performance against targets and objectives, in particular its performances on finance, business, corporate governance and corporate social responsibility;

- ix) to be responsible for the preparation and the true and fair presentation of the financial statements in accordance with the prevailing accounting standards and laws, to approve the financial statements and to appoint and liaise with the Group's external auditor;
- x) to consider and, if appropriate, declare or recommend to shareholders on appropriation of profit, payment of dividend and allocation to reserve account;
- xi) to liaise with all regulatory authorities and organisations on all matters relating to the Group, and to monitor changes in their policies relating to and affecting the Group;
- xii) to convene general meetings and to make proposals for the approval of shareholders thereat;
- xiii) to ensure accountability towards and sufficient communication with the Group's stakeholders, in particular its shareholders;
- xiv) to engage such external legal or other professional advisers to assist and/or advise it on issues as it considers necessary;
- xv) to have full and free access to the Group's information to ensure informed decision making;
- xvi) to do any such things to enable the Board to discharge its obligations and responsibilities;
- xvii) to perform the corporate governance duties set out below:
  - to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
  - to review and monitor the training and continuous professional development of directors and senior management;
  - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
  - to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
  - to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

## **8. MINUTES OF MEETINGS**

- 8.1 The Bye-Laws of the Company on “PROCEEDINGS OF THE DIRECTORS” shall apply to all meetings and proceedings of the Board unless otherwise decided by the Board.
- 8.2 The Secretary shall minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.
- 8.3 Minutes of Board meetings should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.
- 8.4 Minutes of Board meetings should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes should be sent to all directors for their comment and records respectively, within a reasonable time after the Board meeting is held.