



GLOBAL BIO-CHEM TECHNOLOGY GROUP COMPANY LIMITED

大成生化科技集團有限公司*

(the "Company")

(incorporated in the Cayman Islands with limited liability)

(Stock code: 00809)

TERMS OF REFERENCE OF THE CORPORATE GOVERNANCE COMMITTEE (THE "COMMITTEE") OF THE BOARD OF DIRECTORS (THE "BOARD") OF THE COMPANY

1. CONSTITUTION

- 1.1 The Committee is established with effect from 1 April 2012 pursuant to a resolution passed by the Board at its meeting held on 21 March 2012.
- 1.2 These terms of reference are adopted with effect from 1 April 2012 pursuant to a resolution passed by the Board at its meeting held on 21 March 2012.

2. MEMBERSHIP

- 2.1 Members of the 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.
- 2.2 The Chairman of the Committee shall be appointed by the Board which shall be an independent non-executive director.
- 2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.
- 2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

* *for identification purpose only*

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. 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) A Committee member may and, 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 or by email or by facsimile transmission at the telephone or facsimile or address or email address 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 as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 *Quorum:* The quorum of the Committee meeting shall be two members of the Committee.

3.3 *Frequency:* Meetings shall be held at least once a year or more frequently if circumstances require.

4. WRITTEN RESOLUTIONS

4.1 Written resolutions may be passed by all Committee members in writing.

5. ALTERNATE COMMITTEE MEMBERS

5.1 A Committee member may not appoint any alternate.

6. AUTHORITY OF THE COMMITTEE

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (b) to obtain, at the Company’s expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties at the expenses of the Company;
- (c) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary;
- (d) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged; and
- (e) to delegate its authority to subcommittees or the chairman of the Committee when it deems appropriate and in the best interests of the Group.

6.3 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities.

7. DUTIES

7.1 The Committee shall keep the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Committee shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

7.2 The duties of the Committee shall include the following aspects:

- (a) to develop and review the Group’s policies and practices on corporate governance and to make recommendations to the Board;
- (b) to review and approve the annual corporate governance report and related disclosures in the annual and interim reports of the Group and ensuring compliance with relevant requirements under the Listing Rules or the rules of any other stock exchange in respect of which the securities of the Company are listed or quoted, or other laws, regulations, rules and codes as may be applicable to the Group (the “**Applicable Laws**”);
- (c) to make sure that appropriate monitoring systems are in place to ensure compliance against the relevant internal controls systems, processes and policies, and in particular to monitor the implementation of the Group’s plans to maintain high compliance with its own risk management standards;
- (d) to monitor each of the Audit Committee, Remuneration Committee and Nomination Committee has duly discharged their respective duties and obligations in accordance with their respective terms of reference, the Listing Rules and any Applicable Laws;
- (e) to monitor proper segregation of duties between the Chairman and the Chief Executive Officer of the Group;
- (f) to develop and formalise the functions reserved to the Board and those to be delegated by the Board to the management of the Group, and to review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group;
- (g) to review and monitor the Group’s process of disclosure, including assessing and verifying the accuracy and materiality of price-sensitive information and determine the form and content of any required disclosure;
- (h) to review and monitor the Group’s communication policy with its shareholders to ensure a high degree of transparency and that the shareholders are informed of relevant information on a regular basis thus allowing them to evaluate the Group’s performance and prospects;
- (i) to review and monitor the Group’s policies and practices on compliance with any requirement, direction and regulation that may be prescribed by the Board or contained in any constitutional documents of the Group or imposed by the Listing Rules, the Applicable Laws and other applicable organizational governance standards;

- (j) to review and monitor the training and continuous professional development of directors and senior management of the Group;
- (k) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group;
- (l) to review the Group's compliance with the corporate governance code from time to time adopted by the Group and the disclosure in the corporate governance report to be contained in the Company's annual reports;
- (m) to review from time to time as appropriate these terms of reference and the effectiveness of the Committee and recommend to the Board any necessary changes;
- (n) to do any such things to enable the Committee to discharge its duties conferred on it by the Board from time to time;
- (o) to address and deal with such other matters as may be delegated by the Board to the Committee; and
- (p) to report to the Board on the matters set out above.

8. MINUTES AND RECORDS

- 8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 of the Listing Rules apply.
- 8.2 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee. The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

9.1 The articles of association of the Company regulating the meetings and proceedings of the Directors 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.

10. POWERS OF THE BOARD

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

11. PUBLICATION OF THE TERMS OF REFERENCE OF THE COMMITTEE

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 website of the Company and, if required, on the website of the Stock Exchange of Hong Kong Limited.

By order of the Board
Global Bio-chem Technology Group Company Limited
Cheung Kin Po
Company Secretary

Hong Kong, 27 March 2012