



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 451)

**CORPORATE GOVERNANCE COMMITTEE
TERMS OF REFERENCE**

1. Constitution

- 1.1 The corporate governance committee (the “**Committee**”) is a committee of the board (the “**Board**”) of directors (the “**Director(s)**”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “**Company**”).

2. Membership

- 2.1 The members (the “**Member(s)**”) of the Committee shall consist of not less than three (3) Members and at least two (2) of whom are independent non-executive Directors.
- 2.2 The chairman of the Committee shall be appointed by the Board.

3. Secretary of Committee

- 3.1 The company secretary of the Company shall be the secretary of the Committee.

4. Attendance at meetings

- 4.1 A quorum shall be two members. 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.
- 4.2 If requested by the Committee, the general manager of legal department, the general manager or supervisor of internal control department and other (including other members of the Board, other members or employees of the Company and other persons external to the Company) might be invited to attend meetings or parts of meetings of the Committee.
- 4.3 If requested by the President, the President, the chief financial officer and other members of the Board shall be entitled to attend specified parts of meetings of the Committee.
- 4.4 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.

5. Frequency of meetings

- 5.1 Meetings shall be held not less than once a year. The Chairman at his own discretion or any two members jointly can request to convene a meeting of the Committee.

6. Authority

- 6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. Its work is advisory to the Board. It is authorised to seek any information it requires from any management, employee and consultant and all management, employees and consultants are directed to cooperate with any request made by the Committee.
- 6.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, at the Company's expenses, if it considers this necessary.

7. Duties

The duties of the Committee should include the followings:

Risk management functions

- 7.1. to assist the Board to evaluate and determine the nature and extent of the risks the Company and its subsidiaries (collectively the “Group”) are willing to take in achieving the strategic objectives, and ensure that the Group establishes and maintains appropriate and effective risk management and internal control systems; oversee management in the design, implementation and monitoring of the risk management systems of the Group;
- 7.2. to oversee the Group’s risk management systems on an ongoing basis, and ensure that a review of the effectiveness of the Group’s risk management systems is conducted at least once annually, which should cover all material controls, including financial, operational and compliance controls;
- 7.3. to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- 7.4. to review the Group’s significant risks (including, without limitation, operational, regulatory, financial, strategic and organisational risks), ongoing monitoring the changes in the nature and extent of significant risks and key emerging risks and the controls in place to mitigate such risks;
- 7.5. to review and monitor the Group’s risk profile, which may change as a result of changes in the Group’s business or changes in the external environment;
- 7.6. to conduct periodic in depth reviews on selected key risk areas, as the Committee deems appropriate;
- 7.7. to consider major investigation findings on risk management matters as delegated by the Board or on its own initiative and management’s response to these findings;
- 7.8. to review the effectiveness of the enterprise risk management function, including resources, qualifications and experience, training programmes and budget; and
- 7.9. to consider other matters, as defined and assigned by the Board from time to time.

Corporate Governance Functions

- 7.10. to develop and review an issuer's policies and practices on corporate governance and make recommendations to the board;
- 7.11. to review and monitor the training and continuous professional development of directors and senior management;
- 7.12. to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements;
- 7.13. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- 7.14. to review the issuer's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

8. Reporting procedures

- 8.1 The Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties.
- 8.2 The Committee shall make recommendations to the Board it deems appropriate on any matters within its duties where action or improvement is needed.
- 8.3 The members of the Committee shall cause minutes to be made of all resolutions and proceedings of the Committee including the names of all those present and in attendance at meetings of the Committee. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by Committee members and dissenting views expressed.
- 8.4 The secretary of the Committee shall circulate the draft minutes of meetings of the Committee to all members of the Committee within a reasonable time for comment and the final signed versions to all members of the Committee.

9. Language

- 9.1. This document is drawn up in both English language and Chinese language. In case of any inconsistency between the English and Chinese versions of these terms of reference, the English version will prevail.

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April 2016