

# China Public Procurement Limited

## 中國公共採購有限公司

(the “Company”)

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### STATEMENT OF DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE

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#### **1. Constitution**

- 1.1 The Statement of Division of Responsibilities between the Chairman and the Chief Executive (the “Statement”) of the Company was established on [\*] 2013 pursuant to a resolution passed on the same day by the board of directors (the “Directors”) (the “Board”) of the Company.

#### **2. Principles**

- 2.1 Pursuant to Rule A.2.1 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as updated and amended from time to time), set out below are the respective responsibilities of the chairman (the “Chairman”) of the Board and chief executive (the “Chief Executive”) of the Company which are subject to review and revision by the Board from time to time.

#### **3. The Chairman is responsible for:**

- 3.1 providing leadership and governance of the Board so as to ensure the Board and each individual Director works effectively and performs its responsibilities, and ensuring that all key and appropriate issues are discussed in a timely manner;
- 3.2 promoting constructive relationships and open communication, and creating an environment that allows constructive debates and challenges, both inside and outside the boardroom, between non-executive Directors and executive Directors, and allowing sufficient time for discussion of issues and ensuring Board decisions fairly reflect the consensus of the

Board;

- 3.3 ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Company's and its subsidiaries' strategies and policies, and that Board decisions taken are in the Company's best interests and fairly reflect Board's consensus;
- 3.4 establishing good corporate governance practices and procedures as its primary duty and promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level;
- 3.5 ensuring appropriate steps are taken to provide effective communication channel with shareholders of the Company (the "Shareholder(s)") and views of Shareholders are communicated to the Board as a whole and that each Director develops and maintains an understanding of the views of the stakeholders of the Company (the "Stakeholder(s)");
- 3.6 ensuring that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management;
- 3.7 setting, in consultation with the Chief Executive and company secretary of the Company, the Board meeting schedule and agenda to take full account of any matters, where appropriate, facing the Company and the concerns of all Directors, and ensuring that adequate time is available for thorough discussion of critical and strategic issues;
- 3.8 ensuring that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Company's performance, the issues, challenges and opportunities facing the Company, and matters reserved to it for decision; and
- 3.9 holding meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present.

**4. The Chief Executive is responsible for:**

- 4.1 leading the management in the day-to-day running of the Company's business in accordance with the business plans and within the budgets approved by the Board in order to ensure that proper systems and controls are in place for effective risk management of the Company;
- 4.2 leading the management to ensure effective working relationships with the Chairman and the Board by meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities and concerns;
- 4.3 developing and proposing the Company's long-term strategies, vision and policies for the Board's consideration;
- 4.4 formulating and overseeing the implementation of major corporate policies;
- 4.5 implementing, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Company's financial and operating goals and objectives;
- 4.6 maintaining regular dialogue with the Chairman on important and strategic issues facing the Company, and ensuring bringing these issues to the Board's attention;
- 4.7 ensuring that the management gives appropriate priority to providing reports to the Board which contain relevant, accurate, timely and clear information necessary for the Board to fulfill its duties;
- 4.8 ensuring that the Board, especially the Chairman, is alerted to forthcoming complex, contentious or sensitive issues affecting the Company;
- 4.9 ensuring continuous improvement in the quality and value of the Company's services and products provided;
- 4.10 conducting the affairs of the Company in accordance with the practices and procedures adopted by the Board and promoting the highest

standards of integrity, probity and corporate governance within the Company; and

- 4.11 ensuring the Company achieves and maintains a satisfactory competitive position within its industry.

## **5. Review**

- 5.1 The Board shall review and reassess the Statement and its effectiveness on a regular basis or as required.