

## Schedule B

### TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS (THE "BOARD") OF BOYUAN CONSTRUCTION GROUP, INC. (THE "COMPANY")

#### 1. PURPOSE

- 1.1 The directors are responsible for managing or supervising the management of the business and affairs of the Company. Directors do not conduct day-to-day management of the Company; that is the responsibility of the executive officers of the Company.
- 1.2 In discharging their responsibility, among other things, the directors should:
- (a) require management to develop and maintain a strategic planning process and to bring its strategic and operating plans to the Board for review and approval on an annual basis or such other basis as may be required by the Board;
  - (b) approve all capital plans and establish priorities in the allocation of funds for major capital projects on an annual basis or such other basis as may be required by the Board;
  - (c) require management to implement appropriate procedures and systems to attempt to identify the principal risks to the Company's business;
  - (d) plan for senior management succession, including the appointment of and monitoring of senior management's performance;
  - (e) require senior management to develop and maintain a strategy to communicate effectively with its security holders, investment analysts and the public generally and to accommodate and address feedback from security holders;
  - (f) require management to maintain internal control and management information systems and, through Board committees or otherwise, to monitor these systems as it considers fit;
  - (g) require senior management to implement systems to ensure the Company operates within applicable laws and regulations;
  - (h) review actual results achieved by the Company against the objectives contained in the Company's plans and implement or cause to be implemented corrective action where indicated;
  - (i) arrange for the operating results of the Company to be presented by management to the Board on a regular basis;
  - (j) require that the Board be kept reasonably informed of the Company's activities and performance and take appropriate action to correct inadequate performance;
  - (k) authorize the issuance of equity and debt securities of the Company;

- (l) approve all public disclosure by the Company including press releases, financial results, management discussion and analysis, material change reports, registration statements, prospectuses and other public continuous disclosure documents other than:
    - (i) interim quarterly financial statements and quarterly earnings releases, which may be approved by the Audit Committee;
    - (ii) press releases and public disclosure in the ordinary course of the Company's operations which do not include any earnings announcements, which may be approved by the Company's Chief Executive Officer and Chief Financial Officer, in consultation with the Company's legal counsel; and
    - (iii) press releases resulting from emergency or urgent situations which may be approved by the Company's Chief Executive Officer and Chief Financial Officer, in consultation with the Company's legal counsel; and
  - (m) review and consider all reports and recommendations of the Corporate Governance, Nomination and Compensation Committee and approve all compensation of Executive Officers (including the Chief Executive Officer) and directors.
- 1.3 The Board will give direction and guidance to management and will also keep management informed of its evaluation of the performance of the Company and of its senior officers in achieving and carrying out the Board's established goals and policies, and in advising management of any remedial action or changes which it may consider to be necessary.

## **2. ORGANIZATION OF THE BOARD**

- 2.1 The composition of the Board shall comply with applicable corporate and securities laws. In addition, it shall be comprised of a majority of directors who qualify as "independent directors" as determined by the Board, within the meaning National Instrument 52-110 – Audit Committees ("NI 52-110").
- 2.2 Each year the Board shall review the relationship that each director has with the Company in order to satisfy themselves that the independence criteria have been met.
- 2.3 Directors are expected to exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be the best interest of the Company and its shareholders. Directors are expected to attend the meetings of the Board and the committees on which they serve and to review in advance materials distributed before the meeting.
- 2.4 The Board believes that director attendance at shareholder meetings is appropriate and can assist directors in carrying out their duties. When directors attend shareholder meetings, they are able to hear directly shareholder concerns regarding the Company. The Board expects that directors will attend annual shareholder meetings.
- 2.5 Directors shall not serve on the board of more than four (4) public companies, including the Company, except with the prior approval of the Corporate Governance, Nomination and Compensation Committee.
- 2.6 There is no limit on the number of terms a director may serve.

- 2.7 The Board will annually:
- (a) appoint an Audit Committee, and a Corporate Governance and Nomination Committee and a Compensation Committee (which may be combined as one Corporate Governance, Nomination Committee and Compensation Committee, or separately as one Corporation Corporate Governance and Nomination Committee and one Compensation Committee) and establish the duties, powers and responsibilities of these committees;
  - (b) appoint a chairman of the Board and prescribe his or her duties and responsibilities, and if the chairman of the Board is not an independent director under NI 52-110, appoint a lead director and prescribe his or her duties and responsibilities;
  - (c) appoint the Chief Executive Officer of the Company and prescribe his or her duties and responsibilities; and
  - (d) on the recommendation of the Chief Executive Officer, appoint the officers of the Company reporting directly to the Chief Executive Officer, approve all changes therein, and approve the senior management structure of the Company.
- 2.8 The Board shall meet at least 4 times during the each year on dates determined by the Board and also at any other time or times at the call of the Chairman or of any two members of the Board. Such session may be held in person, or by teleconference, or by other means of telecommunications acceptable to the Board, and a Board member participating by such means is deemed to be present at such meeting. Board meetings must be called in accordance with the Company's Articles and Bylaws.
- 2.9 In the event of a change of the status or credentials underlying a director's appointment to the Board, the director so affected should, on his or her own initiative, discuss the change with the chairman of the Corporate Governance, Nomination and Compensation Committee so that there is an opportunity for the Board through the Corporate Governance, Nomination and Compensation Committee to review the continued appropriateness of Board membership under his or her new circumstances. Each case will be dealt with on its own merits, but as a rule a director is expected to tender his or her resignation if there is a change in his or her credentials and circumstances.
- 2.10 Unless specified otherwise, the following procedural rules apply to committees of the Board:
- (a) Each committee shall meet on the call of the chairman of the committee or of two members of the committee or of the chairman of the Board or the Chief Executive Officer;
  - (b) The quorum for the conduct of business of a committee shall be a majority of the number of its members. The committee shall have full power and authority to act notwithstanding that there may be one or more vacancies in its membership;
  - (c) The Board shall have appointed a chairman of the committee;
  - (d) The Corporate Secretary or his/her designate shall be the secretary of duly constituted meetings of the Board and its committees;
  - (e) Notice of a committee meeting shall be given by the chairman or the secretary in writing at least 48 hours before a meeting;

- (f) In the exercise of its absolute discretion the Board may remove or replace any member of any committee and may fill any vacancies. Any member of a committee who shall for any reason cease to be a director of the Company shall ipso facto cease to be a member of that committee;
- (g) Any committee may appoint sub-committees of one or more people, a majority of whom must be members of the committee; and
- (h) Except as otherwise prescribed by the Board, the Articles and Bylaws of the Company applicable to the conduct and meetings of the Board shall apply mutatis mutandis to all committees.