

BOARD CHARTER

The board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the company.

It follows that it is the board's responsibility to provide effective corporate governance. This involves a set of relationships between the board, the management of the company, its shareholders and other relevant stakeholders (as determined by the board), in a manner whereby the board should :

- a) Determine the company's purpose, strategy and values.
- b) Exercise leadership, enterprise, intellectual honesty, integrity and judgment in directing the company so as to achieve sustainable prosperity of the company.
- c) Ensure that procedures and practices are in place that protects the company's assets and reputation. Therefore, the board should regularly review processes and procedures to ensure the effectiveness of the company's internal control systems.
- d) Consider the necessity and appropriateness of installing a mechanism by which breaches of the principles of corporate governance could be reported.
- e) Monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans. In effect, the board must provide guidance and maintain effective control over the company, and monitor management in carrying out board plans and strategies.
- f) Define levels of materiality, reserving specific powers for itself and delegating other related matters with the necessary written authority to management. These matters should be monitored and evaluate by the board on a regular basis. Such delegation by the board must have due regard for the directors' statutory and fiduciary responsibilities to the company, while taking into account strategic and operational effectiveness and efficiency.
- g) Identify key risk areas and key performance indicators of the business enterprise in order for the company to generate economic profit, so as to enhance shareholder value in the long term. The wider interests of society should at the same time be recognized.
- h) Ensure that the company complies with all relevant laws, regulations and codes of best business practice.
- i) Record the facts and assumptions on which the board relies to conclude that the business will or will not continue as a going concern in the financial year ahead, and in the latter case, the steps the board is taking.

- j) Determine a policy for the frequency, purpose, conduct and duration of its meetings and those of its formally established committees. The board should meet at least once a quarter if not more frequently as circumstances require.
- k) Ensure that there are efficient and timely methods for informing and briefing board members prior to meetings. This should include an agreed procedure whereby directors may, if necessary, obtain independent professional advice at the company's expense.
- l) Ensure that non-executive directors have access to management without the presence of executive directors. The appropriate procedure in this regard should be agreed collectively by the board.
- m) Identify, monitor and report regularly on the non-financial aspects relevant to the business of the company.
- n) Ensure that the board communicates with shareholders and relevant stakeholders (internal and external) openly and promptly with substance prevailing over form

It is a key responsibility of the board to appoint a chief executive officer and ensure that succession is professionally planned in good time.

The board must appoint a company secretary and in so doing satisfy itself that the appointee is fit and proper and has the requisite attributes, experience and qualification to properly discharge his/her duties.

The work of the board is to balance "conformance" and "performance". Conformance is compliance with the various laws, regulations and codes governing companies. Ensuring performance requires the development of a commensurate enterprise culture within the organization so that returns to shareholders are maximized while respecting the interests of other stakeholders.

The entire board must contribute fully in developing and sustaining that enterprise culture. Therefore the board should be constituted in a manner that provides a balance between enterprise and control.