



CODE OF CORPORATE GOVERNANCE GUIDELINES

• INTRODUCTION

This Code of Corporate Governance has been drafted by Supreme Ventures Limited (hereinafter “the Company”). The code documents the corporate governance framework of the group. This ensures that the Company and all its subsidiaries adhere to a standard corporate governance policy that represents best practices, inclusive of recommendations taken from the Private Sector Organization of Jamaica (PSOJ) Corporate Governance Code and the Jamaica Stock Exchange (JSE) rules.

This Code:

- a. Adopts best corporate governance practices implemented by a public company under the guidance of the Board of Directors;
- b. It defines the procedures and processes to which the group of companies is directed and controlled.
- c. It specifies the distribution of rights and responsibilities among the different participants in the organization such as the Board of Directors, the management, Shareholders and other stake holders.

• GENERAL PRINCIPLES

The Role and Responsibilities of the Board of Directors of the Company (“the Board”)

The purpose of the Board is to provide strategic direction for the Company and approve management's business plans to effect the strategic and operational goals.

The Board sets the strategic direction of the Company and ensures that it gives management direction, where needed, to ensure that the goals are met.

The Board should also ensure the fair and equitable treatment of all stakeholders, including minority shareholders.

While executing its duties, the Board should take into account all parties whose interests are associated with those of the Company, which includes creditors and employees who are directly affected by the operation of the Company.



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The overarching corporate governance principles embraced by Supreme Ventures Limited include:

- fairness
- accountability
- responsibility
- transparency

The Board

The Board of Directors has the authority to act on behalf of the company. The Board accepts full responsibility for the powers and the authority that it exercises and is accountable to the shareholders for the exercise of powers and duties. This may be analyzed by determining the achievements and performance of the company.

The Board accepts as a fundamental principle to be fair in all dealings and to be transparent and open.

The Company will provide clear information to shareholders and other stakeholders about the objectives and goals of the company, without giving away commercially sensitive information.

The Board should:

- Set the company's strategic aims;
- Provide entrepreneurial leadership of the company within a framework of prudent and effective risk management;
- Make sure that the necessary financial and human resources are in place for the company to meet its objectives;
- Review management performance;
- Set the company's values and standards;
- Ensure that the company's obligations to shareholders are understood and met;
- Ensure that Board Members behave ethically and promote throughout the company behaviour that is consistent with the culture and values of a high-performing organization;
- Create the right framework for ensuring that directors meet their statutory duties.



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Size and Composition of the Board of Directors

The size and composition of the Board should permit the Board to be effective and efficient in exercising its powers and duties. The number of directors should not exceed twelve. The composition will reflect Directors drawn from diverse backgrounds, thereby creating a balance of independence, knowledge, experience, leadership skills and perspectives among Directors to allow the Board to work effectively. The Board should be characterized by a high level of integrity and independence that can support corporate objectives. The Board designations include:

- chairman
- deputy chairman
- CEO
- executive director(s)
- non-executive directors / independent non-Executive Directors

There should also be a suitable balance of power on the Board, so that no one individual or small group of individuals is able to dominate the Board and its decision making.

The Role of the Chairman of the Board of Directors

The Chairman is responsible for leading the Board. The Chairman should be a non-executive director. The Chairman, and in his absence the Deputy Chairman, must be responsible for ensuring that the members of the Board are informed in a timely manner and must effectively communicate with all shareholders. The Chairman must ensure the fair and equitable treatment of all shareholders' interests.

- The Chairman is responsible for leadership of the Board and should ensure the effectiveness of the Board.
- The Chairman is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.
- The Chairman should promote a culture of openness and debate in facilitating the contribution of non-executives in particular and ensuring constructive relations between executive and non-executive directors.
- The Chairman should ensure effective communication between stakeholders.

The role of Chairman should be always separate from the CEO. The Chairman should not hold the position of Chairman for any other public company outside the group of companies.



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The Chairman or, should the Chairman be absent or un-available, the Deputy Chairman should be responsible for ensuring that the members of the Board are informed in a timely manner of meetings and should effectively communicate with shareholders through the secretary. Should the Deputy Chairman also be unable to attend, the meeting of Directors must select an acting Chairman.

Nomination of New Members of the Board of Directors

There will be a formal, rigorous and transparent procedure for the appointment of new directors to the Board.

The search for new directors should be carried out by a Nomination Committee of the board, to which the full board delegates this responsibility.

Nominations for the Board must be made on merit using objective criterion. The Board shall establish a Nomination Committee to ensure the smooth succession of its members and senior management, with a view to the long-term success of the Company.

The names of proposed members to the Board, submitted for election or re-election, must be accompanied by sufficient biographical details, along with a statement from the Board on the independence of the proposed Board members, in accordance with the independence criterion set out by the Company, influenced by the PSJO and JSE guidelines, and any other relevant information to enable shareholders to make an informed decision.

It is the role and responsibility of the Nomination Committee to determine whether an independent non-executive candidate fulfills the independence criterion before he/she is recommended to the Board of Directors or nominated for recommendation to the General Meeting of Shareholders.

Independence

In determining the independence of proposed candidates or current members, the Board of Directors should consider the person not independent when the member:

- Is or has been an employee, senior executive or Chairman of the Board of Directors of the Company or its subsidiaries within the last three (3) years;



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- Receives or has received during the 12 months prior to his appointment any compensation from the Company other than Board membership fees, approved by the shareholders of the company in general meeting.
- Has or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or Board member, or senior executive of an entity that has such a relationship with the Company or its subsidiaries;
- Has been the external auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years;
- Has a second degree kinship with or is the spouse of a non-independent Board member, senior executive, adviser or significant shareholder of the Company or its subsidiaries;
- Controls directly or indirectly through related parties, more than 5% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

Function of the Board of Directors

The Board of Directors should meet with sufficient regularity to effectively and efficiently perform its duties. The Company's Management and the Committees must provide information in a timely and regular manner, to enable the Board to make informed decisions and effectively execute the tasks arising from its duties.

Level and Structure of Remuneration

The level and structure of remuneration should aim to attract and retain Board members, executives and employees to the company, who will add value to the Company with their skills, knowledge and experience. Remuneration must be based on qualifications and contributions to the Company. The Board must have a clear view of how the Company compensates its executives, and specifically executives holding qualifications for the effective management of the Company. For that purpose, the Board should be assisted by the Compensation Committee.



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Purpose

The purpose of the Board is to meet the long-term strategic goal of the Company and the safeguarding of general corporate interests. The Board must be competent to resolve all actions relating to the management of the Company, its assets and business objectives, without limitations (excluding matters falling within the exclusive competence of the General Meeting) and represents the Company judicially and extra-judicially.

Composition

The Company must be managed by a Board of Directors, comprised of a minimum of three (3) and a maximum of twelve (12) members. Directors are elected at the Annual General Meeting, but Directors may be named to fill a vacancy during the year by fellow Directors. A legal entity may also be elected to the Board.

The Board of Directors may elect the Chairman, the Deputy Chairman and one or two Chief Officers among its members. The Chairman or Deputy Chairman of the Board of Directors shall not be an executive member of the Board of Directors.

The Board of Directors must be comprised of a majority of non-executive members (including at least three independent non-executive members).

The independent non-executive members must be exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 5% of the share capital of the Company.

Board of Directors' Meetings

The Board of Directors may validly convene meetings at the company's headquarters, or wherever the Chairman recommends including at locations outside of the island. The members of the Board may also attend via teleconference and deemed to be part of the quorum once all the directors in attendance so agree as stated in the Articles of Incorporation.

The Board of Directors shall convene with the frequency required to ensure the effective performance but at least once per quarter.



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Responsibilities of the Board of Directors

The responsibilities of the Board of Directors are clearly defined by the Company's Articles of Incorporation, The Companies Act and other internal Company policy documents. It is further documented in the Board of Directors' Charter.

The Board is responsible for providing strategic direction for the company and approving management's business plans to affect the strategy and operational goals. The Board oversees the management of the Company, the administering of the company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting), and representing the Company both judicially and extra-judicially. The responsibilities of the Board include:

- To decide on and monitor the effectiveness of the Company's governance processes, including its system of decision making and delegation of authorities and duties to other key executives, and the definition, circulation and implementation of the main values and principles of the Company.

The Board may assign all or part of its managerial powers (except for those requiring collective action) and representation to one or more persons to form a subcommittee (either members or non-members of the Board of Directors, Company's employees or third parties), specifying the extent of the power granted. These persons may, if provided in the respective resolution of the Board of Directors, further delegate to third parties, wholly or partially, the aforementioned powers. The persons assigned with the aforementioned powers bind the Company as its corporate bodies, to the full extent of the aforementioned powers.

The Board of Directors may assign committees to support its decision making process, and to ensure the effective management of potential conflicts of interest which may arise throughout the decision making process.

Duties and Conduct of the Members of the Board of Directors

The directors have a responsibility and a fiduciary duty to act in the best interest of the company and its shareholders. They are accountable to the owners of the company; its shareholders for the manner in which they have carried out their functions and the performance of the company.

Each director has a fiduciary duty to the company. He is expected to act honestly and in the best interest of the company in all transactions.

Directors should not compete with the Company and must avoid any role or activity that creates or appears to create conflict between personal interests and the interests of the Company, including



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holding Board or executive positions in competing companies, without the permission of Board and or members. The Board members must contribute their expertise and devote to their duties the necessary time and attention.

A director has a duty of skill and care to the company. A director is expected to show the technical skills that would reasonably be expected from someone of his or her experience and expertise. All directors have the same duty of skill and care.

Roles and responsibilities of the Chairman and Chief Executive Officer are separate and clearly defined.

- The Chairman should facilitate the effective contribution by non-executive Board members to the work of the Board and ensure constructive relations between executive and non-executive members.
- The Chairman and/or the Deputy Chairman must have meetings with the non-executive members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.
- The Board, through its company secretary, should ensure that an induction programme is established for new Board members and non-executive directors and that continuing professional development programmes are available to all Board members.
- The Independent non-executive and other non-executive members should maintain their independence with regards to the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate between the Board of Directors, senior executives and managers.

• **ACCOUNTABILITY AND AUDIT**

Internal Audit

The Board, through its Audit and Compliance Committee, shall present a balanced and clear analysis of the Company's position and prospects and ensure the integrity of the financial statements and disclosures to shareholders and to the public, as required. The Board shall ensure that an effective internal audit system to safeguard the investments and the assets of the Company is maintained at all times and should identify and address major risks. It should monitor and regularly review the implementation of corporate strategy; it should regularly review the main risks faced by the company and the effectiveness of the internal audit regarding the management of those risks.



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The review should comprise all audits, including financial and operational audits, compliance testing and monitoring of risk management systems. The Board, through the Audit and Compliance Committee, should also develop direct and have regular discussions with external and internal auditors, in order to receive regular updates from the latter in relation to the proper operation of the control systems.

The Audit and Compliance Committee Chairman should not hold more than one Chairmanship in his/her capacity as Audit Committee Chairman.

Audit and Compliance Committee

The Audit and Compliance Committee is the committee of the Board established with the aim to assist the Board with oversight, assessment and review of other functions and systems in the company. The Committee assists the Board with its supervisory responsibilities as regards financial reporting and the review of information impacting compliance of the Company and its subsidiaries with respect to legislative and regulatory operational framework, audit system procedures and to exercise supervision over the auditing operation.

The Company's Management is responsible for the identification, assessment, management and monitoring of risk for developing, operating and monitoring the system of internal control and for providing assurance to the Board that it has done so. Except where the Board or a Risk Committee is expressly responsible for reviewing the effectiveness, the internal control and risk management systems, the Audit and Compliance Committee should receive reports from management on the effectiveness of the systems they have established and the conclusions of any testing carried out by internal and external auditors. Except to the extent that this is expressly dealt with by the Board or risk committee, the Audit and Compliance Committee should review and approve the statements included in the annual report relating to internal control and the management of risk.

The members of the Audit and Compliance Committee are appointed by the Board of Directors. The Audit and Compliance Committee must have at least three independent non-executive members of the Board of Directors, one of whom must be named Chairman to preside at meetings.

The Audit and Compliance Committee Chairman should have the necessary experience/knowledge on Finance and Accounting matters to guide the Committee.

The Audit and Compliance Committee convenes as necessary but at a minimum four times per annum on invitation of its Chairman. The Committee should meet with the Company's External Auditor at least twice a year and without the presence of Company's Management.



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The main responsibilities of the Audit and Compliance Committee, as set out in the Charter, must be enforced, and includes:

- Receiving and examining the periodic reports of the internal audit, supervising the progress of recommendations made by the Internal Auditor and adopted by Management as expressed in the respective reports.
- Examining matters impacting transparency relevant to the procedures connected to the awarding and execution of public tenders in accordance with current legislation, while aiming to ensure transparency.

Whistle blowing

The Audit and Compliance Committee should review arrangements by which staff members may, in confidence, raise concerns about possible improprieties in matters that could result in loss of revenue or reputation. The Committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

The Internal audit process

The Audit and Compliance Committee should monitor and review the effectiveness of the Company's internal audit function. Where there is no internal audit function, the Audit and Compliance Committee should consider annually whether there is a need for an internal audit function and make a recommendation to the Board, and the reasons for the absence of such a function should be explained in the relevant section of the annual report.

An adequately resourced internal audit function (or its equivalent where, a third party is contracted to perform some or all of the work concerned) may provide such assurance and advice. There will be other functions within the Company that also provide assurance and advice covering specialist areas, such as health and safety, regulatory and legal compliance and environmental issues.

The Audit and Compliance Committee should review and approve the internal audit function's remit, having regard to the complimentary roles of the internal and external audit functions. The Audit Committee should ensure that the function has the necessary resources and access to information to enable it to fulfill its mandate, and should be equipped to perform in accordance with appropriate professional standards for internal auditors.



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The Audit and Compliance Committee should approve the appointment or termination of appointment of the head of internal audit.

In review of the work of the internal audit function, the Audit and Compliance Committee should, inter alia:

- ensure that the internal auditor has direct access to the Board Chairman and to the Audit and Compliance Committee and is accountable to the Committee;
- review and assess the annual internal audit work plan;
- receive a report on the results of the internal auditors' work on a periodic basis;
- review and monitor Management's responsiveness to the internal auditor's findings and recommendations;
- meet with the head of internal audit at least once a year without the presence of management and;
- monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.

The External audit process

The Audit and Compliance Committee is the body responsible for overseeing the Company's relations with the external auditor.

Appointment

The Audit and Compliance Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of external auditors. If the Board does not accept the Audit and Compliance Committee's recommendation, it should include in the annual report, and in any papers recommending appointment or reappointment, a statement from the Audit and Compliance Committee explaining its recommendation and should set out reasons why the Board has taken a different position.

The Audit and Compliance Committee should assess annually the qualification, expertise, resources and independence of the external auditors and the effectiveness of the audit process. The assessment



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should cover all aspects of the audit service provided by the audit firm, and include obtaining a report on the audit firm's own internal quality control procedures, and consideration of the audit firm's annual transparency reports, where available. It may also be appropriate for the Audit and Compliance Committee to consider whether there might be any benefit in using firms from more than one audit network.

If the external auditor resigns, the Audit and Compliance Committee should investigate the issues giving rise to such resignation and consider whether any action is required.

The Audit and Compliance Committee should consider the need to include the risk of the withdrawal of their auditor from the market in their risk evaluation and planning.

The Audit and Compliance Committee should report to the shareholders by a statement in the annual report which explains how it reached its recommendation to the Board on the appointment, reappointment or removal of external auditors. This explanation should normally include supporting information on tendering frequency, the tenure of the incumbent auditor, and any contractual obligations that acted to restrict the Audit and Compliance Committee's choice of external auditors.

Terms and Remuneration

The Audit and Compliance Committee should approve the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided.

If the Audit and Compliance Committee is not satisfied as to its adequacy, it should arrange for additional work to be undertaken.

The Audit and Compliance Committee should satisfy itself that the level of fee payable in respect of the audit services provided is appropriate and that an effective audit can be conducted for such a fee.

Independence, including the provision of non-audit services

The Audit and Compliance Committee should assess the independence and objectivity of the external auditor annually, taking into consideration relevant laws, regulations and professional requirements. This assessment should involve a consideration of all relationships between the Company and the audit firm (including the provision of non-audit services) and any safeguards established by the external auditor. The Audit and Compliance Committee should consider whether, taken as a whole and having



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regard to the views, as appropriate, of the external auditor, management and internal audit, these relationships appear to impair the auditor's independence and objectivity.

The Audit and Compliance Committee should agree with the Board on any company policy that addresses the employment of former employees of the external auditor, paying particular attention to the policy regarding former employees of the audit firm who were part of the audit team and moved directly to the company. This should be drafted taking into account the relevant Ethical Standards governing the accounting profession.

The Audit and Compliance Committee should monitor the external audit firm's compliance with relevant Ethical Standards relating to the rotation of audit partners, the level of fees that the Company pays in proportion to the overall income of the firm, or relevant part of it, and other related regulatory requirements.

The Audit and Compliance Committee should develop and recommend to the Board, the Company's policy in relation to the provision of non-audit services by the auditor. The Audit and Compliance Committee's objective should be to ensure that the provision of such services does not impair the auditor's independence or objectivity. In this context the Committee should consider:

- whether the skills and experience of the audit firm make it a suitable supplier of non-audit service
- whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the provision of such services by the external auditor
- the nature of non-audit services, the related fee levels and the fee levels individually and in aggregate relative to the audit fee; and
- the criteria which govern the compensation of the individuals performing the audit

The Audit and Compliance Committee should set and apply a formal policy specifying the types of non-audit work:

- from which the external auditors are excluded
- for which the external auditors can be engaged without referral to the Audit Committee, and
- for which a case by case decision is necessary
- In addition, the policy may set fee limits generally or for particular classes of work



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In the third category, if it is not practicable to give approval to individual items in advance, it may be appropriate to give general pre-approval for certain classes of work, subject to fee limit determined by the Audit and Compliance Committee and ratified by the Board. The subsequent provision of any service by the auditor should be ratified at the next meeting of the Audit and Compliance Committee.

In determining the policy, the Audit and Compliance Committee should take into account relevant Ethical Standards regarding the provision of non-audit services by the external firm.

The annual report should explain to shareholders how, if the auditor provides non-audit services, auditor objectivity and independence are safeguarded.

The Audit and Compliance Committee should also review the audit representation letters before signature by management and give particular consideration to matters where representation has been requested that relate to non-standard issues. The Audit and Compliance Committee should consider whether the information provided is complete and appropriate based on its own knowledge.

As part of the ongoing monitoring process, the Audit and Compliance Committee should review the management letter (or equivalent). The Committee should review and monitor Management's responsiveness to the findings and recommendations made by the external auditor.

At the end of the audit cycle, the Audit and Compliance Committee should assess the effectiveness of the audit process.

- **COMMUNICATION WITH SHAREHOLDERS**

The Board should maintain a continuous and constructive dialogue with the Company's shareholders, especially those holding significant stakes. There should be open communications between the Board and its shareholders either through formal and informal channels

Directors should limit their direct interaction with Senior Staff Members. Their interaction should be through the CEO, except when directed by the Board, or when thought necessary by Committee Chairpersons.

The Board has a responsibility for ensuring that a satisfactory dialogue with shareholders takes place.



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General Meeting

The Board must ensure that the preparation and conduct of the General Meeting of shareholders allows for the active and well informed exercise of shareholder's rights. Shareholders must be fully informed regarding all matters related to their participation in the General Meeting, including the matters of the agenda and their shareholder rights during the Meeting. The Board should facilitate, within the framework set out by the Company's statutes, that as many shareholders as possible, including minority, and foreign shareholders, have the opportunity to participate in the general meeting of the shareholders. The Board should use the general meeting to facilitate open discussion with stakeholders.

The Annual General Meeting is one process that offers participation of all shareholders of the Company. The Annual General Meeting is convened by the Board and is entitled to make decisions regarding all matters pertaining to the Company. Shareholders are entitled to participate in the Annual General Meeting, either in person or by a duly authorized proxy, in accordance with the legal procedure provided.

The Board must ensure that the preparation and conduct of the Annual General Meeting of the company allows for the active and well informed exercise of shareholder's rights. Shareholders must be fully informed regarding all matters related to their participation in the General Meeting, including their right to vote, right to elect or remove directors, and to share in profits.

Shareholders must be given the opportunity to ask questions at an Annual general Meeting and to hear about the company and its progress/challenges to date.

The proper service of Notice is a legal requirement. Shareholders should have the right to be informed and vote on matters that fundamentally change the company: amendments to the constitution, authorizing the issue of additional shares, any extraordinary transaction. There is a presumption of equitable treatment of shareholders of the same class.

In compliance with the provisions of the Companies Act, the Company must give notice of the Annual General Meeting at least twenty one clear (21) days prior to the meeting. The Annual report must provide details in accordance with the requirements of the JSE which include the following:

- The Notice of the meeting which includes the date, time and location of the Annual General Meeting of Shareholder and the business to be conducted at the meeting;
- The basic rules and participation practices ;
- The voting procedures, the terms of representation by proxy and the forms required to vote by proxy, if applicable;



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- The resolutions for discussion and vote and corresponding documents;
- The proposed list of candidate members to the Board and their Curriculum Vitae (in case of the election of new members);
- The total number of shares and voting rights;
- List of the ten largest shareholders;
- Directors' shareholding;
- Directors' Report;
- Corporate Data;
- List of Senior Managers, and;
- Statement on Corporate Governance.

The Chairman of the Board, the Chief Executive Officer and the Chairmen of Board Committees must attend General Meetings in order to provide information and appraisals on matters raised for discussion and queries and clarifications raised by shareholders. Should the Chairman, Chief Executive Officer and Committee Chairmen be unable to attend the meeting, other members of the Board and Executives of the Company with sufficient knowledge of the agenda must attend in order to provide information and clarification to the shareholders. The Company's Internal Auditor should attend the Annual General Meetings.

During the meeting, the Chairman of the Board of Directors presides temporarily or, should he/she be unable to attend, the Deputy Chairman or other members of the Board.

Following confirmation that a quorum is present, the Annual General Meeting will commence and the Chairman of the General Meeting must allow sufficient time to take questions from shareholders.

All shareholders with voting rights may vote at the Annual General Meeting of the Company provided they are listed in the records in which the securities of the Company are maintained. The execution of said rights requires neither the commitment of shares nor other similar procedure.

Shareholders may appoint a proxy should they desire to do so within the required time prior to the date of the meeting as set out in the Company's Articles of Incorporation.

The resolutions passed at any general meeting including an annual general meeting must conform to the statute of the land to be enforceable.



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• EVALUATION OF BOARD DIRECTORS

The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. The individual evaluation should aim to determine whether the individual director continues to contribute effectively and continues to demonstrate commitment to his/her role e.g. reading board papers, preparing for meetings, and attendance of meetings.

Following the evaluation, the Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board.

• OTHER BOARD AND MANAGERIAL COMMITTEES

The Board of Directors shall decide to establish committees governing human resources, scheduling, control or other responsibilities as it deems necessary to facilitate the purpose of the Company. The detailed terms of mandate, composition, term, the directorship and reporting frequency to the Board of Directors is determined at the time of establishment and contained in the relevant charters that should be followed in conjunction with this code. The committees shall have consulting competence and shall submit their recommendations to the Board of Directors for due examination and action. Exceptionally, the Board of Directors may, at its discretion, delegate to these committees executive and/or decision-making authority, which, nevertheless, should be consistent with the bylaws and the Company's Articles of Incorporation.

The Finance Committee

The Finance Committee is a committee of the Board of Directors which is responsible for the financial management of the Company and is a sub-committee of the Board of Directors. The Chairman of the Board will be the Chairman of this committee and will select up to five Directors to also serve on the committee.

The Finance Committee should include the Chief Financial Officer, as an invitee. Other officers may be co-opted from the finance department as deemed necessary. The Chief Financial Officer must provide the Board with:

- The annual and revised quarterly budgets of the Company and its subsidiaries;
- An analysis of the Company's financial performance and a review of any significant changes to the business environment that would adversely affect the Company's performance.



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Compensation Committee

The Board of Directors of the Company assigns the responsibility of determining the employee remuneration policy of the Company to the Compensation Committee. The Compensation Committee recommends levels of remuneration to the Board of Directors for executives, managers and senior executives and concurrently regulates matters associated with the overall remuneration policy of the Company.

The Compensation Committee comprises four members, the majority of whom should be non-executive members. The Chairman of the Compensation Committee is appointed by the Board of Directors and must be a non-executive member. Should an executive be a member of the Compensation Committee, this member may not attend discussions pertaining to his/her own remuneration.

The Compensation Committee convenes at the invitation of its Chairman as deemed necessary and at least once per annum. The main responsibilities of the Compensation Committee are as follows:

- To propose the remuneration policy of the Company, including incentive bonuses, stock options and employee loyalty incentive programs.
- To suggest an annual salary, performance-related remuneration, pension plan and severance package specifically for the remuneration of executives and managers.
- To discuss with the Audit and Compliance Committee and make recommendations re remuneration of the internal auditor.

Governance and Nomination Committee

The Governance and Nomination Committee's role is to determine the slate of director nominees for election to the Company's Board of Directors, to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings, to review, evaluate and recommend changes to the Company's Corporate Governance Guidelines, and to establish the process for conducting the review of the Chief Executive Officer's performance.



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Management Committee

The Management Committee comprises the Chief Executive Officer and Executive Managers of the Company and examines all significant Company matters, formulates proposals and decides how to address them. The role of the Management Committee is also essential in the achievement of intra-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer in both an informative and advisory capacity. The Management Committee provides an accurate and complete overview of the Company, and should analyze critical operational issues, design the development strategy of the Company, and advance the implementation of major projects and objectives. The Management Committee may convene without all of its members, on invitation of the Chief Executive Officer of the Company.

Members of the Audit and Compliance Committee may attend the meetings as deemed necessary.

The Board of Directors must certify in writing that the annual and interim financial statements objectively reflect the financial position of the Company. This certification follows the corresponding certification by the Company auditors.

• REMUNERATION POLICY

The process determining remuneration must be objective, transparent, professional and independent of conflict of interest. Hence, the process is assigned to the Compensation Committee of the Board of Directors (referred to in this code), which should have a majority of non-executive members.

Criteria for the remuneration of members of the Board of Directors, executives and employees of the Company must be a meritocracy, and based on the creation of long-term corporate worth, and the balance between short and long term performance. In this manner, the Company will be successful in attracting and retaining executives with suitable qualifications and skills.

The primary responsibility of the Board of Directors, with regard to level of remuneration for its members, is to determine the remuneration for executive and non-executive members. The contract of the Chief Executive Officer having been recommended by the Compensation Committee should be approved by the Board. The contract of the Chairman should be approved by the Board.

Remuneration for executive members of the Board of Directors should be associated with corporate strategy and the accomplishment of the Company objectives, with a view to creating long-term worth



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for the Company. Hence, remuneration must ensure the balance between constants, such as annual salary, and variables associated with performance and long-term employment with the Company, such as the annual bonus, stock options etc. Remuneration for non-executive members must reflect the time expended and responsibilities. It is recommended that the remuneration for non-executive members not be directly related to the performance of the Company in order to encourage Management to take business risks.

The remuneration for executive members of the Board of Directors should be pre-approved by the Board of Directors following recommendations by the Compensation Committee. The remuneration of non-executive members of the Board of Directors is approved by the Annual General Meeting of Shareholders as determined by legislation. Final approval for the remuneration of both executive and non-executive members is granted by the Annual General Meeting of Shareholders.

• SHAREHOLDER-INVESTOR RELATIONS

The Board of Directors must ensure continuous and constructive communication with shareholders, particularly with those holding majority shares and long-term prospects. The Board should also ensure the equitable treatment of all shareholders, including minority and foreign national shareholders.

The Chairman of the Board of Directors, or the Deputy Chairman and Chief Executive Officer must be available for meetings with majority shareholders of the Company and discuss matters pertaining to corporate governance. The views of the majority shareholders must be communicated to the Board of Directors. The Company must maintain an up-to-date website on which a description of corporate governance, the organizational chart, the ownership structure and other information useful to shareholders and investors is published.