



TMH

Board Policy

Approved by the Board of Directors
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1. Introduction

The purpose of the Board Policy is to describe the Corporate Governance framework of TMH, especially the role, responsibilities, procedures of the Board of Directors of the Company.

This Policy is complementary to the provisions regarding the Board of Directors contained in:

- the Myanmar Companies Law,
- the Company's Constitution, and
- the Company's Code of Conduct.

The Board of TMH will ensure that the Board Policy is enforced across the Company. The Board must also approve any modifications of this Policy and review and update it in a timely manner as needed.

2. Composition and structure

2.1 Board of Directors Profile

- 2.1.1 **Profile** – The Board of Directors shall prepare a profile of its size and composition, considering the nature of the business of the Company and its Subsidiaries and the desired expertise and background of the Board's members. The Board of Directors Profile is posted on the Company's website.
- 2.1.2 **Number of Members** – The Board of Directors determines the number of its members. The Board of Directors shall have a minimum of three (3) members and a maximum of fifteen (15).
- 2.1.3 **General Composition** – A Board member shall at all times meet the proper criteria as set forth by appropriate regulatory bodies. Furthermore, each Board member, shall:
- a. have adequate expertise and experience to perform his/her role as Board member;
 - b. be able to act critically and independently of one another and the Management team;
 - c. be a person of good standing and reputation;
 - d. not have committed any sanctionable practice (or representing a company/person that has) (e.g., practices that involve corruption, fraud, collusion, etc);
 - e. at least one Board member shall be a financial expert, meaning he has expertise in financial administration, accounting for companies similar to the Company;
 - f. at least one Board of Director member shall be independent.
- 2.1.4 **Independence** – A Board member is independent if the following criteria DO NOT apply to him/her: the member, or a member of his/her family:
- a. has been an employee or member of the Management team or a related company in the five years prior to his/her becoming a Board member;

- b. receives financial compensation from the Company, or a related affiliated company, other than for serving as Board member or in the course of ordinary business;
- c. has had an important business relationship with the Company or a related affiliated company in the year prior becoming a Board member;
- d. is a member of the Management team of a company in which a member of the Management team is a Board member;
- e. is a significant shareholder of the Company.

A “Significant shareholder” of a company is a legal entity or natural person who, jointly or severally, owns 10% or more of the voting rights of the company, or is able to exercise control or significant influence over the entity.

“Related company” means the following: (i) the parent company of the company; (ii) subsidiaries of the parent company; (iii) subsidiaries and the affiliates of the company.

A “subsidiary” of a company means any legal entity in which the company owns 50% or more of the common shares. An “affiliate” of a company means any legal entity in which the company owns 10%–50% of the common shares.

2.2 Appointment

- 2.2.1 **Election** – The General Meeting of the shareholders elects the members of the Board of Directors.
- 2.2.2 **Nomination** – A nomination or recommendation to the General Meeting of shareholders for a candidate for the Board of Directors shall state:
 - a. the candidate's age,
 - b. his/her profession,
 - c. the amount and nature of his/her ownership in the Company,
 - d. any convictions for any crimes involving dishonesty, fraud or breach of trust,
 - e. the positions he/she holds or has held in the past five years (including memberships on any supervisory bodies or management team) and
 - f. any other information relevant to an assessment of his/her suitability as a member of the Board of Directors.

The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board of Directors for appointment or reappointment of a Board member must be in accordance with criteria mentioned above.

2.2.3 **Reappointment** – Before recommending a member of the Board of Directors for reappointment, the Board of Directors must carefully consider his past performance on the Board of Directors.

2.2.4 **Vacancies** – Should a vacant Board seat materialize between General Meetings, the Board may elect a Board member to fill the vacancy until the next General Meeting. Their election should be based on the same process as described above.

2.3 Chairperson

2.3.1 **Election** – The Board of Directors shall elect a Chairperson.

2.3.2 **Duties** – The Chairperson of the Board of Directors is primarily responsible for the activities of the Board of Directors. He shall act as the spokesman of the Board of Directors and is the principal contact for the Management team. The Chairperson of the Board of Directors usually presides over General Meetings.

2.3.3 **Responsibilities** – The Chairperson ensures that:

- a. Board members, when appointed, participate in an induction program and, additional education or training programs as needed;
- b. Board members receive all information necessary for them to perform their duties;
- c. the Board of Directors has sufficient time for consultation and decision-making;
- d. the performance of the Management team members and Board members is evaluated at least once every year;
- e. the Board of Directors has proper contact with the Management team.

In addition, the Chairperson is primarily responsible for:

- f. ensuring the Board of Directors satisfies its duties,
- g. determining the agenda of Board of Directors meetings, chairing such meetings and ensuring that minutes are kept of such meetings,
- h. consulting with external advisors appointed by the Board of Directors,
- i. addressing problems related to the performance of individual Board members, and
- j. addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result.

2.4 Committees

2.4.1 **Establishment of Committees** – The Board of Directors may appoint Committees from among its members to perform specific tasks as needed. The Board shall establish the following Board Committees:

- a. **Audit, Compliance and Corporate Governance Committee:** This committee oversees risk management framework, management control and financial reporting framework, with emphasis on the integrity of financial reporting, soundness of internal controls, compliance, effectiveness of risk management, and the independence and performance of the external auditors.
- b. **Nominating Committee:** This committee covers several areas such as regularly reviewing the structure, size, composition and performance of the Board to ensure its effectiveness.
- c. **Remuneration Committee:** This committee is responsible for reviewing all matters relating to remuneration, including the principles, parameters and governance framework of the Company's remuneration policy (as applicable to all employees), and the remuneration of executive Board members and other senior executives.

2.5 Company Secretary

- 2.5.1 **Company Secretary** – The Company Secretary assists the Board of Directors.
- 2.5.2 **General access** – All Board of Directors members may go to the Company Secretary for advice or to use his/her services on matters related to this Charter.
- 2.5.3 **Responsibilities** – The Company Secretary shall monitor and assist the Board in following the correct procedures and shall ensure that the Board of Directors complies with its obligations under the law, the Company's Constitution and this Charter. The Company Secretary shall assist the Chairperson of the Board of Directors in organizing the Board of Directors' activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs). The Company Secretary is the secretary of the Board of Directors.

3. Board responsibilities and members powers and duties

3.1 General Duties

- 3.1.1 **Duty of care and diligence** – Each member of the Board of Directors shall, when making a decision in exercise of his or her powers, and discharging his or her duty of care and diligence:
- a. decide in good faith for a proper purpose,
 - b. not have a material personal interest in the subject matter of the decision, and
 - c. rationally believe that the decision is in the best interests of the Company.
- 3.1.2 **Duty of loyalty** – Each member of the Board of Directors shall, at all times, remain mindful of and discharge his or her duty to the Company. He or she shall NOT:
- a. improperly use his or her position or information obtained by him or her as a director to gain an advantage for him or herself or someone else; or cause detriment to the Company,
 - b. conduct transactions in which he/she has a personal interest unless in accordance with Myanmar Companies Law, TMH Code of Conduct, and Related Parties Transaction Policy,
 - c. disclose confidential information,
 - d. enter into contractual relations with a competing company, or
 - e. use assets and facilities of the Company for personal benefit.
- 3.1.3 **Duty to disclose** – A Board of Directors member shall immediately report to the Chairperson of the Board of Directors any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his/her family member. The Board member concerned shall not take part in the assessment by the Board of Directors of whether a conflict of interest exists.
- 3.1.4 **Time commitment** – Each member of the Board of Directors shall commit adequate time to the position, including the time to attend Board meetings, time to prepare him/herself for meetings.
- 3.1.5 **Participation** – Each member of the Board of Directors shall participate in Board discussions and voice his or her concerns openly to the Board. The Director shall ensure objectivity of analysis, including by not being unduly influenced by the Chairperson.
- 3.1.6 **Adherence to corporate governance policies, code of conduct, and applicable laws** – Board members and employees of the company shall understand the Policies included in this Charter as their joint obligation, and accordingly, obligate themselves to ensure that its provisions and spirit are adhered to and acted upon throughout the Company. Further, all Board members and employees shall agree to act in accordance with all applicable laws and

regulations and ethical standards of business conduct. The Board shall have primary responsibility for ensuring the development of, compliance with, and periodic review of corporate governance and conduct policies and practices in the Company, including the regular update of these policies.

3.2 Responsibilities

3.2.1 **Accountability** – The Board is accountable to the shareholders of the Company for creating long-term value for the shareholders while taking into account the interest of its stakeholders.

3.2.2 **Responsibilities** – The following are the primary functions of the Board:

- a. reviewing, approving and monitoring the Company's long-term strategic objectives, business plans and performance targets,
- b. reviewing and approving the annual operating budget,
- c. supervising and advising the management team and overseeing the general business of the Company,
- d. overseeing (i) the integrity of the financial statements, (ii) the performance, qualifications, and independence of the external auditor, and (iii) the performance of the internal audit function and the effectiveness of controls,
- e. overseeing and approving the risk management framework, policies and procedures to effectively manage risk,
- f. ensuring compliance with legal and regulatory requirements,
- g. reviewing and approving major decisions on (i) the organizational structure, (ii) the establishment of subsidiary companies, (iii) the establishment of branches and representative offices, and (iv) capital allocations and expenditures in line with the approved Authority Matrix,
- h. reviewing and/or approving the transactions with related parties,
- i. selecting and recommending directorship candidates for election by shareholders,
- j. defining the remuneration and incentive schemes, including key performance indicators, for the Chairperson and members of the Board, as well as for key executives of the Company,
- k. appointing and, as necessary, dismissing key executives of the Company,
- l. developing succession plans and development objectives for key executives,
- m. assessing the effectiveness of the Company's governance practices and policies and making changes as needed,
- n. discussing its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board of Directors. At least once a year, the Board of Directors shall (without the Management team being present) discuss the activities of the Management team and those of its individual members and the effectiveness of such activities,
- o. approving and reviewing the Company's values, ethical standards, and mission, and
- p. ensuring that obligations to shareholders and other key stakeholders are met.

- 3.2.3 **Securing information** – The Board of Directors and its individual members each have responsibility for obtaining all information from the Management team and the External Auditor needed to carry out their duties. If the Board of Directors thinks it is necessary, it may obtain information from officers and external advisers of the Company. The Company shall aid the Board of Directors in obtaining such information. The Board of Directors may require certain officers and external advisers to attend its meetings.
- 3.2.4 **Access to information** – Each member of the Board of Directors has access to the books and records of the Company, if useful in the performance of his/her duties. Board of Directors members shall consult with the Chairperson of the Board of Directors and the Company Secretary before exercising their rights.
- 3.2.5 **Use of experts** – The Board of Directors may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board of Directors and shall be paid by the Company. A Board of Directors member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert’s report or conclusion.

4. Board working procedures

4.1 Frequency, notice, venue and attendance

- 4.1.1 **Frequency** - The Board of Directors shall meet as often as necessary. The Board of Directors shall meet at least four (4) times a year. If possible, meetings shall be scheduled annually in advance. The Board of Directors shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board of Directors, two other members of the Board of Directors, or the Management team.
- 4.1.2 **Notice and agenda** - Meetings of the Board of Directors are called by the Chairperson. Written notice of each meeting of the Board shall be given to all the Board Directors. Written notice of each meeting of a committee of the Board shall be given to all Directors on that committee. All notices shall be sent by email at least fourteen (14) calendar days in advance of such meeting. The agenda for a meeting shall be sent to all Board of Directors members at least seven (7) calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and necessary documentation will be attached. Necessary information shall be comprehensive and include the minutes of the previous Board meeting, issue papers to be discussed and other reports prepared by management. Issue papers should be clear, succinct, insightful, and include recommendations for action based on proper analysis. The Chairperson shall consult with the Management team prior to convening the meeting on the content of the agenda. Each Board of Directors member, the CEO, and the Management team collectively, has the right to:
- a. request that an item be placed on the agenda for a Board meeting; provided that the item is received by the Chairperson at least two weeks prior to the meeting,
 - b. call for a Board meeting.
- 4.1.3 **Venue** - Board meetings are generally held at the offices of the Company but may also take place elsewhere. In addition, meetings of the Board of Directors may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- 4.1.4 **Undue absence** – If a Board of Directors member does not attend at least 75% of Board of Directors meetings, he shall be required to explain such absences to the Chairperson.
- 4.1.5 **Attendance by non-members** – The admission to a meeting of persons other than members of the Board of Directors, the Corporate Secretary and (if invited) members of the Management team shall be decided by majority vote of the Board members present at the meeting.
- 4.1.6 **Annual plan** – The Board shall develop an Annual Plan that highlights key topics to be covered over the course of the year. Individual Board agendas should then be set in alignment with this annual plan and should include any other timely issues that need to be discussed.

Directors are urged to make suggestions for other agenda items or additional pre-meeting materials as needed.

4.2 Decision-making

- 4.2.1 **Individual vote** – Each Board of Directors member has the right to cast one vote.
- 4.2.2 **Quorum** – At any meeting of the Board, a quorum must be present at all times during the meeting. The quorum for a meeting of the Board, duly convened and held, shall require the presence of a majority of the Directors of the Board. In the absence of a valid quorum at a meeting of the Board duly convened, the meeting shall be adjourned to the same time and place seven (7) days thereafter.
- 4.2.3 **Preference for unanimity** – The Board of Directors members shall try to adopt resolutions unanimously.
- 4.2.4 **Majority** – Where unanimity cannot be reached, all resolutions of the Board of Directors are adopted by a majority of the votes cast when the law, the Company's Constitution or this Policy do not prescribe a larger majority. In the event of a tie, the Chairperson of the Board of Directors has the deciding vote. At a meeting, the Board of Directors may only pass resolutions if the majority of the Board of Directors members are present or represented.
- 4.2.5 **Adoption of resolution at meetings** – In general, resolutions of the Board of Directors are adopted at a Board of Directors meeting.
- 4.2.6 **Written consent** – Board of Directors resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board of Directors members and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board of Directors members. A statement from a Board of Directors member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
- 4.2.7 **Minutes** – Minutes must be drawn up for every Board of Directors meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the Chairperson of the meeting and the minute writer and then added to the Company's records. Each member of the Board of Directors and the Management team shall receive a copy of the minutes. Each member of the Board of Directors may demand a note explaining how he voted or a formal declaration by him be included in the minutes. The Chairperson may delegate the taking of minutes to the Company Secretary or any other minute writer. The minutes of a meeting are taken as having been approved if the members of the Board of Directors do not submit a written objection to the Chairperson within four (4) weeks of the date on which the minutes were distributed. If the Chairperson is unable to resolve the objection, a decision must be taken on it in the next meeting.

- 4.2.8 **Interpretation** – In case of uncertainty or difference of opinion on how a provision of these policies should be interpreted, the opinion of the Chairperson, with input from other Board members, shall be decisive.

5. Other provisions

5.1 Compensation of Board members

- 5.1.1 **Reimbursement of costs** – Apart from their compensation, Board of Directors members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the Chairperson of the Board of Directors. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairperson or the Company Secretary on his behalf (or if it concerns the Chairperson or the Company Secretary on his behalf).
- 5.1.2 **Loans and guarantees** – The Company and its Subsidiaries do not grant personal loans, guarantees or the like to members of the Board of Directors, save as part of its usual business operations. Loans are not remitted.

5.2 Ongoing training

- 5.2.1 **Induction program** – Upon his election, each Board member shall participate in an induction program that covers general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member.
- 5.2.2 **Annual review of training** – The Board of Directors shall conduct an annual review to identify areas where Board members require further training or education.
- 5.2.3 **Costs borne by Company** – The costs of the induction course and any training or education shall be paid by the Company.

5.3 Board evaluation

- 5.3.1 **Annual assessment** – The Board shall conduct an annual assessment of its performance in the preceding year. The criteria to be used in the assessment include:
- a. whether the Board is functioning effectively;
 - b. whether the roles and responsibilities of the Board members and management are aligned with the long-term success of the business; and
 - c. whether the Board has set a strong culture for the Group to follow

5.4 Other Positions

- 5.4.1 **Notice of outside positions** – Board of Directors members must inform the Chairperson of the Board of Directors and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board of Directors. The Company Secretary shall keep a list of the outside positions held by each Board member.

5.5 Board and management interaction

- 5.5.1 **Succession planning** – The Board shall adopt a succession plan that outlines the succession of key management positions. The CEO should provide support to the Board in this process and be part of the committee that plans for succession. The succession plan goes beyond simply naming potential leaders, but also identifies plans to professionally develop the Company's leadership pipeline. It should also lead the Board to define strategies for recruiting and retaining qualified management staff to support the growth of the Company. The Board should update this plan on a regular basis.

Beyond long-term succession planning, the Board should also ensure there are short-term continuity plans in place in the case of an unexpected executive absence. For key executive positions, the Board shall identify backups that can quickly take over a function should it be unexpectedly vacated for whatever reason. This should be part of a wider business continuity plan for the Company.

- 5.5.2 **Senior management remuneration and evaluation** – The Board shall oversee the processes for setting the remuneration policy of the CEO and members of the senior management. The remuneration package shall be based on various components, including fixed salary plus defined performance incentive bonuses. The executive remuneration policy shall be approved by the Board each year and disclosed to the shareholders and in the annual report. The Board shall evaluate the performance of the CEO or the lead executive and determine compensation in light of the goals and objectives of the remuneration policy. The CEO and the Board together shall assess the performance of the other executive officers and determine their compensation based on initial recommendations from the CEO or the lead executive.

The Board should define the remuneration scheme based on the following key underlying principles: that the level of remuneration ensures alignment of executives' incentives with the long-term interests of the Company and its shareholders; and (ii) that the remuneration of executives is of sufficient order so as to attract, motivate, and retain the managerial talent it needs.

5.6 Audit & control environment

- 5.6.1 **Risk management and internal control** – The Company places great importance on maintaining a sound risk management and internal control framework. The Board of the Company, via the Audit, Compliance and Corporate Governance Committee, is tasked with ensuring that appropriate risk management and internal systems are established and working effectively. Among other things, the Board (i) approves risk management procedures and ensures compliance with such procedures; (ii) analyses, evaluates, and improves the effectiveness of the internal risk management and internal control procedures on a regular basis; (iii) develops adequate incentives for executive bodies, departments and employees to apply internal control systems; and (iv) ensures that the Company complies with legislation and with provisions of its articles of association. To this end, the Company shall have a Risk Management function that is responsible for ensuring the risk management of the Company is working effectively.
- 5.6.2 **Internal Auditor** – The Company shall likewise have an internal audit function that is staffed by qualified person(s) with appropriate levels of authority in the organisation, and is given necessary training and resources to carry out its duties effectively. The internal audit function shall report to the audit committee functionally and to the CEO administratively. The Board shall ensure the internal audit function is independent from management to ensure objective analysis and reporting.
- 5.6.3 **External Auditor** – The Company shall engage a publicly recognized, independent auditing firm fully independent from the Company, the Company's management and major shareholders. The external auditor shall be appointed by the AGM and submitted for the necessary approvals from relevant regulatory agencies. The remuneration of the auditor shall be disclosed to shareholders. The external auditor should rotate its lead engagement partner at least once every five (5) years to help ensure objectivity, and the Company shall replace its external auditors, or the audit partner-in-charge, at least once every five years or such other period as may be prescribed by the regulations.

6. General Meeting policy

- 6.1.1 **Compliance with law** – The Board of Directors shall ensure all laws are complied with, regarding the rights of shareholders.
- 6.1.2 **General Meeting** – The Board of Directors shall determine the date and place of any General Meeting and a record date for the exercise of the voting and any other rights attached to the Company's shares at such a meeting. Unless there is an overriding company interest to act otherwise, the Board of Directors shall make every effort to provide owners with all information necessary or requested for the owners to properly act at the general meeting. If the Board of Directors believes the Company does have an overriding interest, it must state why it so believes.

The General Meeting of Shareholders shall include all shareholders entitled to vote and shall be the highest decision-making authority of the Company. The shareholders pass resolutions related to key business issues through the Annual General Meeting (AGM) where mission critical matters related to the Company's business development and operations are discussed, such as the approval of financial statements and the Annual Report (at such time as the Company decides to produce an annual report), the appointment of the independent auditor, amendments to the Constitution, and the delegation of authority to the Board to follow up on matters debated and approved at the AGM.

The AGM has the following authorities, rights and obligations:

- a. to elect, remove or discharge members of the Board,
- b. to make decisions on amendments of and additions to the Constitution of the Company,
- c. to approve annual financial statements,
- d. to approve the report of the Board regarding management by and operational results of the Board and its members,
- e. other rights and obligations in accordance with Myanmar Law and the Constitution of the Company, and in accordance with any shareholder agreements that may define special shareholder rights and consents.

Following are the procedural requirements that the Company must follow for the conduct of the AGM:

- a. Not less than twenty-eight (28) days' prior written notice of all General Meetings shall be given to shareholders at their respective addresses from the Company register. The written notice shall include time, date and venue for meeting. An agenda and accompanying materials setting out the proposed business to be discussed at the General Meeting, including audited financial statements of the prior year, shall be circulated by the Company to shareholders at the same time as the notice above;
- b. The meetings shall be conducted professionally, fairly and expeditiously;
- c. The meeting is to be headed by the Chairperson of the Board or the Deputy Chair of the Board (if any) or any Director of the Board present may choose the Chair of the meeting;

- d. The meeting shall discuss the matters mentioned in the invitation agenda;
- e. The Chairperson shall decide the logical order of the agenda before the start of the meeting;
- f. The shareholders may send written questions to the Board prior to the meeting;
- g. Every member of the meeting, whether attending personally, by proxy or by corporate representative, has one vote for each share owned;
- h. The Board shall ensure that the responsible partner or certifying auditor of the External Auditor attends the AGM and is available to address the meeting. The shareholders must listen to the auditor's report during the AGM. For shareholders to approve the Company's accounts, shareholders have the right to question the auditor with regard to any of the matters reported in these accounts;
- i. The AGM is held at a place that is easily accessible for the majority of shareholders and at a convenient date and time. The registration procedures are convenient and allow for quick and easy admittance to the AGM;
- j. The voting results and other relevant materials are distributed to shareholders or posted in the company website, either at the end of, or not later than ten (10) working days after the AGM;
- k. The Board shall make a report of the AGM available to the shareholders of the Company no later than one month after the end of the meeting. Shareholders shall then have one month to respond to the report. Following this period, the report shall be adopted by the Chairperson and the Corporate Secretary of the meeting;
- l. The quorum for an AGM shall be shareholders, present in person or by proxy, or by corporate representative, holding shares representing more than fifty percent (50%) of the voting shares of the Company then outstanding.

Subject to the provisions of this Policy and the Constitution, resolutions may be passed at a General Meeting by a show of hands, unless a poll is demanded by (i) at least five (5) shareholders or (ii) anyone or more shareholders present and holding shares conferring not less than 10 percent of the votes or the chair of the meeting before or immediately after on the declaration of the result of the show of hands, but in each case by a vote representing a majority of the shares present at the meeting. In the absence of a valid quorum at a General Meeting, duly convened and held, the meeting shall be adjourned to the same time and place in the next week or another days as the Chairperson together with the Board may determine. Such another day shall not earlier than ten (10) days but no later than twenty-one (21) days. If the adjourned meeting does fulfil the quorum requirement within 30 minutes, then those shareholders present shall deem to be quorum.

Shareholders have the following rights related to the AGM:

- a. to inspect, consult, extract and copy the list of shareholders entitled to attend the AGM,
- b. to request correction of wrong information or addition of necessary information about themselves in the list of shareholders entitled to attend the AGM. The Corporate Secretary must promptly provide information in the register of

shareholders and amend or supplement any wrong information at the request of shareholders,

- 6.1.3 **Changes to corporate governance** – Any substantial change to the corporate governance structure of the Company shall be submitted to the General Meeting for discussion under a separate agenda item.
- 6.1.4 **Attendance by External Auditor** – The Board of Directors shall ensure that the responsible partner (or certifying auditor) of the External Auditor attends the General Meeting of Owners and is available to address the meeting. The External Auditor may be questioned by the General Meeting of Owners in relation to audit of the Company’s financial statements.

7. Conflict of interest policy

- 7.1.1 **Abstention by conflicted party** – A member of the Board of Directors member shall not take part in any discussion or decision-making regarding any subject or transaction in which he has a conflict of interest with the Company. The Director concerned shall immediately report to the Chairperson any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, and relatives by blood or marriage up to the second degree. When a conflict arises in the context of a purported transaction between the director and the Company, the Corporate Secretary shall record this declaration in the relevant Board meeting minutes.

In such a case, the other Board members present shall consider whether it is appropriate for the conflicted Board member to take part in the discussion of that item of business before the Board, after giving full consideration to whether the conflict may otherwise compromise the member's objectivity and/or ability to properly fulfil his/her duties to the Company. If they decide that it is not appropriate, they may require the Board member to leave the meeting room during the discussions. The Board member shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting. The Board member will not be permitted to vote on the relevant resolution.

In the event that it is not entirely clear whether a conflict of interest exists, the Board member with the potential conflict shall disclose the circumstances to the Chairperson of the Board or his designee, who shall determine whether full Board discussion is warranted or whether there exists a conflict of interest that is subject to this Policy.

- 7.1.2 **Declaration of interest** – Upon taking office, a Board member shall be required to disclose to the Company all interests and relationships which could or might be seen to affect his ability to perform his or her duties as a Board member. Any such interests declared shall be recorded by the Corporate Secretary. The Board members shall disclose any relevant directorships, employment or significant interests of family members which might give rise to a real or perceived conflict. Each Board member shall inform the Company when there are changes to his/her interests, and shall complete a form annually that specifically lists his or her interests. The Board secretary may request Board members to review the form annually for accuracy and completeness.
- 7.1.3 **Gifts** – Accepting gifts or other favours from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/favour does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Board member in the performance of his/her duties. This does not preclude the acceptance of items of nominal or insignificant value (up to USD 50) or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the Company.

8. Audit, Compliance and Corporate Governance Committee Charter – terms of reference

8.1 Composition

- 8.1.1 Appointment – The Audit, Compliance and Corporate Governance Committee ("ACCG" or the "Committee") shall be appointed by the Board of Directors ("Board") from amongst the members of the Board. The ACCG shall comprise of at least three (3) directors who have relevant accounting or related financial management expertise or experience, as the Board interprets such qualifications in its business judgement. In addition, the Committee may co-opt from time to time person who have the relevant expertise to assist it but who may not be directors. Such persons may be associate members or invitees of the committee but shall have no decision-making powers or voting rights.
- 8.1.2 **Departure** - A member who wishes to retire or resign from the ACCG shall notify the Board in writing giving three (3) months' notice or such shorter notice as may be agreed by the Board. A member shall automatically cease to be a member of the ACCG if he is removed / disqualified under the provisions of the Myanmar Companies Law, or if he resigns / retires / is not re-elected as a Board member. If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint the number of new members required to make up the minimum number of three (3) members.
- 8.1.3 **Chairperson** – The Committee members shall elect a Chairperson who ensures that:
- the Committee fulfils its obligations,
 - the Committee's performance is assessed yearly.

8.2 Responsibilities

- 8.2.1 **Corporate reporting** – The ACCG shall:
- monitor, review and assess the integrity of the financial statements of the Company and any other formal announcements relating to the Company's financial performance, and review any significant reporting issues and judgments contained therein,
 - discuss with management and the external auditors on a regular basis and review and approve the annual financial statements and other disclosures required by laws and regulations, including announcements of a sensitive nature, prior to Board approval and public disclosure,
 - review the findings of the audit with the external auditor. This shall include but not be limited to the following:
 - a discussion of any major issues which arose during the audit,

- any accounting and audit judgments, and
- levels of errors identified during the audit, and
- reviews of and where necessary, challenges the consistency of accounting policies, methods used to account for significant or unusual transactions where different approaches are possible, and the clarity and completeness of corporate disclosure, and any changes of these.

8.2.2 **External Audit** – The ACCG shall:

- a. consider and make recommendations to the Board, to be put to shareholders for approval, regarding the appointment, re-appointment and removal of the Company's external auditors,
- b. oversee the external auditor selection process if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required by the Board,
- c. recommend to the Board for approval remuneration, including fees for audit or non-audit services and whether the level of fees is appropriate to enable an adequate audit to be conducted,
- d. recommend to the Board for approval terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit,
- e. review the preparation and execution of the auditor's annual program of work for the Company,
- f. evaluate, on an annual basis, the qualification, independence, and performance of the external auditor and report to the Board and the AGM the committee's opinion with respect to the adequacy of its performance and independence. Such a report shall include the Committee's recommendation on the reappointment or termination of the external auditor and, if required, on a replacement for the said firm. The Committee report shall be submitted to the AGM,
- g. satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business),
- h. assess annually qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures,
- i. ensure adherence to procedure concerning the supply of non-audit services by the external auditor, taking into account relevant ethical guidance and legal requirements regarding the matter. In general, the Company stipulates that the appointed external auditor shall not provide any other services to the Company beyond the scope of the financial audit, unless otherwise explicitly approved by the Board. No exceptions shall be granted if they are deemed to compromise the independence of the external auditor in any way (e.g., consulting services, tax services, or others). Any exceptions to this provision should be disclosed to shareholders along with an explanation as to why this was granted and what assurances exist to safeguard the auditor's independence, and
- j. monitor and review management's responses to the recommendations of the external auditor, including those in the Management Letter.

8.2.3 **Internal Audit** – The ACCG shall:

- a. monitor and review the effectiveness and organisational structure of the Company's internal audit function,
- b. approve the appointment and removal of the Head of Internal Audit and review the qualifications and effectiveness of internal audit personnel,
- c. ensure the internal audit function has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards,
- d. review with the Company's internal auditor the preparation, execution and results of the Company's annual internal audit program, as well as any activities undertaken outside this annual program,
- e. review and assess the annual internal audit plan,
- f. review all internal audit reports and take or call for necessary action,
- g. ensure the internal audit function remains independent from management to ensure objective reporting,
- h. review with the Company's internal auditor and report to the Board on the adequacy of the structure, responsibilities, staffing, resources and functioning of the Company's internal auditing department; such a review will include an annual evaluation of the performance and qualifications of the department head, and;
- i. review and monitor management's responsiveness to the findings and recommendations of the internal auditor.

8.2.4 **Risk management** – The ACCG shall:

- a. define objectives and strategies for and ensure the development of the risk management framework for the Company and review the same at least annually to confirm it is both sound and effective and report to the Board on its findings and recommendations,
- b. define the ceiling for risk exposure that executive management must adhere to,
- c. set reporting guidelines for management to report to the ARCC on the effectiveness of the Company's management of its material risks, particularly market, operational, reputational, and compliance risks, and update the Board on the major findings of those reports as appropriate,
- d. provide for a comprehensive risk control system to ensure proper business process controls are in place to help identify and safeguard against risks; and
- e. ensure that this risk control system is periodically revised and aligned with regulatory changes, and is being complied with by management and
- f. approve and update as necessary a summary of the Company's policies on risk oversight and management of material risks.

8.2.5 **Compliance** – The ACCG shall:

- a. ensure the Company has an effective compliance function in place to ensure compliance with external laws and regulations and internal codes and policies, particularly the Code of Conduct,

- b. review the findings of any examinations by regulatory and supervisory agencies and respond as needed,
- c. review with the internal auditors and other appropriate parties, legal matters that may have a material impact on financial statements and compliance procedures of the Company, and any material reports received from or communications with regulators or government agencies, and
- d. oversee the procedures for:
 - the receipt and treatment of complaints received by the Company regarding financial reporting, accounting and auditing, internal controls, and conduct or conflict matters,
 - the confidential, anonymous submission by the Company's employees of concerns regarding questionable financial reporting, accounting, auditing or other matters.

8.3 Working procedures

- 8.3.1 **Meeting frequency** – The Committee shall meet as needed, but at least four (4) times a year. If possible, meetings shall be scheduled in advance according to an annual calendar and adjusted as needed.
- 8.3.2 **Notice and Agenda** – Meetings of the committee are called by the Chairperson of the Committee. Except in urgent cases, as determined by the Chairperson, the agenda and related documentation for a meeting shall be sent to all members at least five(5) days before the meeting. All Committee members are provided with a concise yet comprehensive set of information by the Corporate Secretary in a timely manner, as much in advance as possible (at least five (5) days). This includes: (i) an agenda; (ii) minutes of the prior committee meeting; (iii) issue papers to be discussed; and (iv) other reports prepared by management. Issue papers should be clear, succinct, insightful, and include recommendations for action based on proper analysis. The Committee shall keep detailed meeting minutes that adequately reflect Board discussions, signed by the Chairperson.
- 8.3.3 **Meeting venue** - Committee meetings are generally held at Company offices, but may also take place elsewhere. In addition, committee meetings may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- 8.3.4 **Attendance of and admittance to meetings** – A committee member shall attend all meetings and may not be represented (by proxy) at meetings by another committee member. Non-Committee members (other Board members, executives, or other outside individuals) may attend committee meetings at the permission of the committee Chairperson. The committee may request that any Board member, officer, member of the internal audit function or other employee of the Company, or any other person whose advice and counsel are sought by the committee, attend any meeting and provide such pertinent information as the committee requests. The Head of Internal Audit shall meet with the committee on a frequent basis. The committee may exclude from its meetings any person it deems appropriate. The Company's external auditors will be invited to attend meetings of the committee as needed, and shall meet with the committee at least once annually without the presence of management.

- 8.3.5 **Quorum and voting** – A majority of members shall constitute a quorum (personally and not by proxy). Each member of the committee shall have one vote. Decisions taken through majority voting can result in actions directed by the committee. All resolutions of the committee are adopted by majority vote.
- 8.3.6 **Minutes of meeting** – The committee shall keep meeting minutes which shall be circulated to members for objections and approval. If no objection is lodged within ten business days, the minutes shall be approved. Once approved, such minutes shall be provided to the Board and then added to the Company’s records and circulated in the next meeting. Each member of the committee shall receive a copy of the minutes.
- 8.3.7 **Support for the Committee** – The activities of the committee, including providing information, preparing an agenda and reporting of meetings shall be supported by the Corporate Secretary or another competent person as determined by the committee.

9. Remuneration Committee Charter – terms of reference

9.1 Composition

9.1.1 **Appointment** – The Remuneration Committee ("RC" or the "Committee") shall be appointed by the Board of Directors ("Board") from amongst the members of the Board. The RC shall comprise at least three (3) directors who have relevant knowledge of executive remuneration and succession planning. In addition, the Committee may co-opt from time to time persons who have the relevant expertise to assist it but who may not be directors. Such persons may be associate members or invitees of the committee but shall have no decision-making powers or voting rights.

9.1.2 **Departure** - A member who wishes to retire or resign from the RC shall notify the Board in writing giving three (3) months' notice or such shorter notice as may be agreed by the Board. A member shall automatically cease to be a member of the RC if he is removed or disqualified under the provisions of the Myanmar Companies Law, or if he resigns, retires or is not re-elected as a Board member. If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint the number of new members required to make up the minimum number of three (3) members.

9.1.3 **Chairperson** – The Committee members shall elect a Chairperson who ensures that:

- a. the Committee fulfils its obligations, and
- b. the Committee's performance is assessed yearly.

9.2 Responsibilities

9.2.1 **Remuneration** – The RC shall:

- a. set the principles, parameters and governance framework of the Company's remuneration policy as applicable to all employees,
- b. determine the remuneration policy of the Company, including its subsidiaries (with input from subsidiary boards as applicable), including the review of policies for salary, bonuses and benefits,
- c. set the remuneration policy and remuneration for independent non-executive Board members, executive Board members and other senior executives of the Company, and
- d. make recommendations to the Board, regarding on the following matters:
 - time commitment and responsibilities of independent non-executive Board members and executive Board members,
 - long-term interests of shareholders and investors, and
 - requirement to link pay to performance by reference to corporate goals and objectives resolved by the Board.

9.3 Working procedures

- 9.3.1 **Meeting frequency** – The Committee shall meet as needed, but at least four (2) times a year. If possible, meetings shall be scheduled in advance according to an annual calendar and adjusted as needed.
- 9.3.2 **Notice and agenda** – Meetings of the Committee are called by the Chairperson of the Committee. Except in urgent cases, as determined by the Chairperson, the agenda and related documentation for a meeting shall be sent to all members at least five (5) days before the meeting. All Committee members are provided with a concise yet comprehensive set of information by the Corporate Secretary in a timely manner, as much in advance as possible (at least five (5) days). This includes: (i) an agenda; (ii) minutes of the prior Committee meeting; (iii) issue papers to be discussed; and (iv) other reports prepared by management. Issue papers should be clear, succinct, insightful, and include recommendations for action based on proper analysis. The Committee shall keep detailed meeting minutes that adequately reflect Board discussions, signed by the Chairperson.
- 9.3.3 **Meeting venue** - Committee meetings are generally held at Company offices, but may also take place elsewhere. In addition, committee meetings may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- 9.3.4 **Attendance of and admittance to meetings** – A Committee member shall attend all meetings and may not be represented (by proxy) at meetings by another Committee member. Non-Committee members (other Board members, executives, or other outside individuals) may attend committee meetings at the permission of the committee Chairperson. The Committee may request that any Board member, officer, member of the internal audit function or other employee of the Company, or any other person whose advice and counsel are sought by the Committee, attend any meeting and provide such pertinent information as the committee requests. The Head of Internal Audit shall meet with the committee on a frequent basis. The Committee may exclude from its meetings any person it deems appropriate. The Company's external auditors will be invited to attend meetings of the committee as needed, and shall meet with the committee at least once annually without the presence of management.
- 9.3.5 **Quorum and voting** – A majority of members shall constitute a quorum (personally and not by proxy). Each member of the committee shall have one vote. Decisions taken through majority voting can result in actions directed by the committee. All resolutions of the committee are adopted by majority vote.
- 9.3.6 **Minutes of meetings** – The committee shall keep meeting minutes which shall be circulated to members for objections and approval. If no objection is lodged within ten business days, the minutes shall be approved. Once approved, such minutes shall be provided to the Board and then added to the Company's records and circulated in the next meeting. Each member of the committee shall receive a copy of the minutes.

- 9.3.7 ***Support for the Committee*** – The activities of the committee, including providing information, preparing an agenda and reporting of meetings shall be supported by the Corporate Secretary or another competent person as determined by the committee.

10. Nominating Committee Charter – terms of reference

10.1 Composition

10.1.1 **Appointment** – The Nominating Committee ("NC" or the "Committee") shall be appointed by the Board of Directors ("Board") from amongst the members of the Board. The NC shall comprise at least three (3) directors who have relevant knowledge of executive remuneration and succession planning. In addition, the Committee may co-opt from time to time person who have the relevant expertise to assist it but who may not be directors. Such persons may be associate members or invitees of the committee but shall have no decision-making powers or voting rights.

10.1.2 **Departure** - A member who wishes to retire or resign from the NC shall notify the Board in writing giving three (3) months' notice or such shorter notice as may be agreed by the Board. A member shall automatically cease to be a member of the NC if he is removed or disqualified under the provisions of the Myanmar Companies Law, or if he resigns, retires or is not re-elected as a Board member. If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint the number of new members required to make up the minimum number of three (3) members.

10.1.3 **Chairperson** – The Committee members shall elect a Chairperson who ensures that:

- c. the Committee fulfils its obligations, and
- d. the Committee's performance is assessed yearly.

10.2 Responsibilities

10.2.1 **Nomination** – The RNC shall:

- a. review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes,
- b. keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace,
- c. develop and maintain a formal and transparent process for the appointment and re-appointment of directors to the Board. The process for the appointment of new directors should include an evaluation of his/her capabilities and the way in which the new director will fit in with the overall competences of the Board,
- d. develop and maintain a process for the selection, appointment and re-appointment of directors, with regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance,

preparedness, participation, candour and any other salient factors), including, if applicable, as an independent director. All proposed appointees should be required to disclose any other business interests that may result in a conflict of interest and/or report any future business interests that could result in a conflict of interest.

- e. ensure all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three (3) years.

10.3 Working procedures

- 10.3.1 **Meeting frequency** – The committee shall meet as needed, but at least four (2) times a year. If possible, meetings shall be scheduled in advance according to an annual calendar and adjusted as needed.
- 10.3.2 **Notice and agenda** – Meetings of the Committee are called by the Chairperson of the Committee. Except in urgent cases, as determined by the Chairperson, the agenda and related documentation for a meeting shall be sent to all members at least five (5) days before the meeting. All Committee members shall be provided with a concise yet comprehensive set of information by the Corporate Secretary in a timely manner, as much in advance as possible (at least five (5) days). This includes: (i) an agenda; (ii) minutes of the prior Committee meeting; (iii) issue papers to be discussed; and (iv) other reports prepared by management. Issue papers should be clear, succinct, insightful, and include recommendations for action based on proper analysis. The Committee shall keep detailed meeting minutes that adequately reflect Board discussions, signed by the Chairperson.
- 10.3.3 **Meeting venue** - Committee meetings are generally held at Company offices, but may also take place elsewhere. In addition, committee meetings may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- 10.3.4 **Attendance of and admittance to meetings** – A committee member shall attend all meetings and may not be represented (by proxy) at meetings by another committee member. Non-Committee members (other Board members, executives, or other outside individuals) may attend committee meetings at the permission of the committee Chairperson. The committee may request that any Board member, officer, member of the internal audit function or other employee of the Company, or any other person whose advice and counsel are sought by the committee, attend any meeting and provide such pertinent information as the committee requests. The Head of Internal Audit shall meet with the committee on a frequent basis. The committee may exclude from its meetings any person it deems appropriate. The Company's external auditors will be invited to attend meetings of the committee as needed, and shall meet with the committee at least annually without the presence of management.
- 10.3.5 **Quorum and voting** – A majority of members shall constitute a quorum (personally and not by proxy). Each member of the committee shall have one vote. Decisions taken through majority voting can result in actions directed by the committee. All resolutions of the committee are adopted by majority vote.

- 10.3.6 **Minutes of meetings** – The committee shall keep meeting minutes which shall be circulated to members for objections and approval. If no objection is lodged within ten business days, the minutes shall be approved. Once approved, such minutes shall be provided to the Board and then added to the Company's records and circulated in the next meeting. Each member of the committee shall receive a copy of the minutes.
- 10.3.7 **Support for the Committee** – The activities of the committee, including providing information, preparing an agenda and reporting of meetings shall be supported by the Corporate Secretary or another competent person as determined by the committee.