



**ARC**  
**INVESTMENTS**

Board of  
Directors Charter

# BOARD CHARTER

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through the oversight of the Company's business. It should therefore determine the strategic objectives and policies of the Company to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

## 1. PREAMBLE

The company is committed to uphold good corporate governance in all its business dealings in respect of its shareholders and other relevant stakeholders:

- all Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities;
- this Board Charter shall constitute, and form, an integral part of each director's appointment;
- the Board is the focal point of the company's corporate governance system. It is ultimately accountable for the performance and affairs of the company. Delegation to committees or management in no way mitigates or dissipates the discharge by the Board and its directors of their responsibilities;
- an overriding principle regarding the Board's deliberations and approach to corporate governance will be that of intellectual honesty (*vis-à-vis* a focus on the quality and effectiveness of corporate governance with substance prevailing over form).

## 2. PURPOSE

The purpose of this Board Charter is to regulate how business is to be conducted by the Board in accordance with the principles of good corporate governance. The Board Charter sets out the specific responsibilities to be discharged by the Board members collectively and the individual roles expected from them

## 3. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members, acting on behalf of the company:

- are aware of their duties and responsibilities and of the various legislative and regulatory requirements affecting their conduct; and
- ensure that the principles of good corporate governance are applied in all their dealings in respect of, and on behalf, of the company; and
- retain full and effective control over the company and monitor management in implementing Board plans and strategies.

## 4. BOARD LEADERSHIP

There are two key tasks at the head of a company: the running of the Board and the executive responsibility for the running of the company's business. There should be a clear division of responsibilities at the head of the company to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Board should provide leadership and vision to the company to enhance stakeholder value and promote long-term sustainable development and growth of the company.

### 4.1. The Chairperson

4.1.1. Every third (3<sup>rd</sup>) year, or as may be required, the Board will appoint from among their non-executive members a Chairperson who will preside at meetings and is responsible during the term for:

- representing the Board in its communication with the shareholders (specifically about governance and related issues) and indirectly for maintaining relations with important stakeholders and the public in consultation with the Management;
- ensuring the integrity and effectiveness of the governance process of the Board;
- arranging that the content and order of the agenda of Board meetings is appropriate and that the members of the Board have the relevant Board information papers in good time;

- ensuring that the Board members are properly briefed on issues arising at Board meetings and that all available information on an issue is before the Board. A review of agenda items for addition/amendment is discussed at every meeting of the Board;
- maintaining regular dialogue with the management over operational matters and consulting with the remainder of the Board promptly over any matter that gives him or her cause for concern;
- acting as facilitator at meetings of the Board in order that no member, whether executive or non-executive, dominates discussion; that appropriate discussion takes place and that relevant opinion among members is forthcoming. The Chairperson should lead discussions to result in logical and understandable outcomes;
- active participation in the selection of Board members;
- ensuring new Board members are properly inducted and orientated and that this is done on a regular basis;
- monitoring and evaluating the collective performance of the Board and director appraisals;
- ensuring that directors are regularly assessed in terms of their boardroom contributions and performance;
- to ensure that the highest ethical standards are maintained.

#### 4.2. The Deputy Chairperson (IF APPLICABLE)

- 4.2.1. In the absence of the Chairperson and upon request, the Deputy Chairperson will assume all duties and responsibilities of the Chairperson.
- 4.2.2. The Deputy Chairperson shall remain in close contact with the Chairperson and keep up to date with important matters in the company.
- 4.2.3. The Deputy Chairperson will play an active role as required in Board committees.
- 4.2.4. The Deputy Chairperson fulfils the role of lead independent director, thus serving as a nexus between executive and non-executive directors where a more stringent observation of independence is required on matters requiring Board decision.
- 4.2.5. The Deputy Chairperson shall be elected by the Board for a three(3) year term.

#### 4.3 Management

- 4.3.1. The functions of Management include:
  - 4.3.1.1. the development of long-term strategy and vision for the company;
  - 4.3.1.2. the development of annual business plans and budgets to implement the long-term strategy;
  - 4.3.1.3. ensuring that the day-to-day business affairs are properly monitored and managed;
  - 4.3.1.4. ensuring continuous improvement in the quality and value of the company's products and services and maintenance of competitive position;
  - 4.3.1.5. ensuring an effective management team;
  - 4.3.1.6. formulation and implementation of major corporate policies;
  - 4.3.1.7. fostering a corporate culture which promotes ethical practices and individual integrity and fulfils social responsibility objectives and imperatives;
  - 4.3.1.8. to maintain sound relations with the relevant regulators and government departments.
- 4.3.2. Only decisions of the Board acting as a body are binding on Management. Decisions or instructions of individual members of the Board, officers or committees are not binding except in those instances where specific authorisation is given by the Board, via the mandate of the relevant committee of the Board.

- 4.3.3. Management is accountable to the Board for the achievement of the company goals and the observance of the limitations prescribed by the company's decision-making framework.
- 4.3.4. Management is required to act within all specific authorities delegated to it by the Board.
- 4.3.5. Management is required to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics and not to cause or permit any action that does not take into account the health, safety, environmental and political consequences and the concomitant effects thereof on long-term shareholder value.
- 4.3.6. The management team, is required to ensure that the assets of the company are adequately maintained and protected, and not unnecessarily placed at risk.
- 4.3.7. The management team has delegated authority from the Board regarding the responsibility and custodianship for day-to-day risk management. This mandate authorises management to command required resources, internal and external, to ensure that risks are managed effectively within the company. This includes overseeing all risk management processes at executive level and establishing the company's risk control environment and risk mitigation strategies, as set out more fully below.

Specific responsibilities regarding risk management processes include the following:

To monitor and ensure:

- that all risks are managed within the approved risk appetite;
- that the various risk profiles of the company are understood and appropriately managed (including the risk profiles of proposed new initiatives, ventures, products/services and major projects which may impact on the company's risk/reward profile);
- that appropriate internal controls are in place by developing and providing a strong control environment;
- that risk control frameworks and supporting risk management policies are approved and are in place from a company and divisional/subsidiary perspective;
- the adequacy, accuracy and effectiveness of information and reporting systems pertaining to risk management and control;
- that risk is considered in long-term plans and investments; and
- to report on risk to the Audit and Risk Committee ("ARC") and the Board on a regular basis.

In handling the risks of the company, management is expected to ensure that no-one imposes their own risk preferences on the Board-approved risk profile of the company.

- 4.3.8. It is expected to not permit employees and other parties working for the company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

## 5. COMPOSITION OF THE BOARD

- 5.1. In conformance with good governance principles, the company has a unitary Board, consisting of executive and non-executive directors. The Board believes that as a matter of policy, there should be a majority of non-executive directors on the Board.
- 5.2. An executive director is an individual who:
  - 5.2.1. is involved in the day-to-day management of the company; and/or
  - 5.2.2. is a full-time salaried employee of the company and/or its subsidiaries.
- 5.3. A non-executive director is an individual who is not involved in the day-to-day management of the company and/or is not a full-time salaried employee of the company or its subsidiaries.
- 5.4. Procedures for appointments to the Board should be formal and transparent, and a matter for the Board as a whole, in respect both non-executive and executive directors.

- 5.5. The Board shall define an appropriate division of duties and responsibilities on the Board, identifying key roles and performance standards for Board members and ensure that Board members clearly understand these functions. The above is dealt with on the basis that this in no way dissipates the Board's collective responsibilities or Board members' individual responsibilities as directors.
- 5.6. Qualifications and key competencies for membership of the Board are:
  - 5.6.1. financial literacy and a basic knowledge and understanding of the conduct of the business and of the laws and customs that govern the activities of an institution in the industry that the company operates; specifically, a director must obtain a knowledge and understanding of risks and related matters as prescribed by the legislation which governs the company and its industry;
  - 5.6.2. the ability to make sensible and informed business decisions and recommendations and the ability to constructively collaborate as part of a team contributing towards the successful performance of the company;
  - 5.6.3. the ability and willingness to devote the time needed to prepare for and participate in Board deliberations;
  - 5.6.4. an entrepreneurial talent for contributing to the creation of stakeholder value;
  - 5.6.5. the ability to ask probing questions and communicate clearly;
  - 5.6.6. organisational and strategic awareness;
  - 5.6.7. the ability to see the wider picture and have an unfettered perspective on issues;
  - 5.6.8. integrity and strong sense of ethics in personal and business dealings;
  - 5.6.9. a knowledge of the duties and responsibilities of directors as prescribed by law;
  - 5.6.10. international experience (where possible) and awareness /knowledge of national/ local dynamics; and
  - 5.6.11. total commitment to furthering the interest of the shareholders and other stakeholders to achieve the company's goals.
- 5.7. Size of the Board
  - 5.7.1. The size of the Board is dictated by the company's Memorandum/ Articles of Incorporation.
  - 5.7.2. The Board must be large enough to:
    - 5.7.2.1. ensure a wide range of skills and knowledge, views and experience, such that the common purpose, involvement, participation, harmony and sense of responsibility of Board members is not jeopardised;
    - 5.7.2.2. achieve the balance of skills, experience, and professional and industry knowledge necessary to meet the company's strategic objectives.
- 5.8. Time period of office
  - 5.8.1. In accordance with the memorandum or articles of incorporation, new Board members appointed by the Board will only hold office until the end of the first annual general meeting to be held after the appointment of such person as a director unless such appointment is confirmed by that meeting.
  - 5.8.2. Board members are subject to retirement by rotation and re-election by shareholders at least once every three years at the company's Annual General Meeting.

- 5.8.3. If the Board decides that a Board member should remain in office beyond nine years, the Board member concerned will be subject to annual re-election by shareholders at the annual general meeting.
- 5.8.4. Only in exceptional circumstances will the Board consider employing any executive director on a fixed-term contract,
- 5.8.5. Termination of a service /employment contract will result in resignation from the Board, but such director may continue to act in a non-executive capacity, subject to approval of the Board as a whole.
- 5.8.6. All directors shall ensure that they have sufficient time to be able to perform their duties as directors of the company. Directors may not hold appointments with competitors of the company. An appointment as a director of any company outside the company will require prior approval. Directors will, in the first instance, discuss any possible outside commitment with the Chairperson, and if the Chairperson is not in agreement, the matter shall be referred to the Board
- 5.8.7. Termination of appointment –the Board reserves the right to reconsider a director’s appointment and to terminate such appointment under the following circumstances:
  - 5.8.7.1. should there be any material change to the director’s personal circumstances that the Board believes may affect the appointment. A material change shall include, but not be limited to, the following:
    - where the director resigns, retires or is removed from office from any external appointments (including, but not limited to, any other directorships);
  - 5.8.7.2. where an incident occurs which the Board considers could adversely affect the reputation of the company; and
  - 5.8.7.1. poor meeting attendance and/or poor performance by the director in question, as assessed during the annual performance evaluation.

## 5.9. Insurance

The company shall have in place Directors’ and Officers’ Liability Insurance, which provides appropriate cover for the company and its Directors’ and Officers’ against suit by third parties. The terms and extent of the cover are reviewed annually. The Board may consider key-man and kidnap & ransom insurance cover for identified Board members and key executives at a level deemed necessary and sufficient by the Board.

## 5.10. Board members’ share ownership

Board members’ shall be required to hold no ordinary shares and during their tenure of office.

## 5.11. Induction of new directors

- 5.11.1. On appointment, non-executive directors will have the benefit of an induction programme aimed at deepening their understanding of the company as well as the business environment and markets in which the company operates. This should include background material, meetings with senior management and visits to the company’s facilities. The induction programme will cover the following:
  - 5.11.1.1. knowledge of the company (ownership and governance philosophy; relevant laws; company law and other applicable legislation, rules and regulations; Board structure, membership and processes; and applicable governance, risk management and internal control standards and practices);
  - 5.11.1.2. knowledge and understanding of the business of the company (corporate strategies, business processes, organisation, management and people);

- 5.11.1.3. knowledge of the financials (annual accounts, directors' reports, trends of the key financial ratios and financial performance of the business); and
  - 5.11.1.4. expected contribution and expectations on appointment (discussions with Chairperson about the role, why nominated, potential contribution, particular knowledge, etc.).
- 5.11.2. As part of the induction programme, newly appointed non-executive directors will receive a folder/board pack of essential Board and company information containing, among other documentation, copies of all the terms of reference of Board-appointed committees and the committee structures.
- 5.11.3. New Board members with limited board experience shall receive development and education to inform them of their duties, including fiduciary responsibilities, powers and potential liabilities in the form of regular workshops and presentations to the Board.
- 5.11.4. All Board members are expected to keep themselves abreast of changes and trends in the business and in the company's environment and markets, which shall include changes and trends in the economic, political, social and legal climate generally.
- 5.11.5. The Secretary will facilitate the induction programme, which shall include induction, orientation and training for all directors as well as ongoing training for existing directors which will include governance, risk and compliance as well as ongoing training on matters deemed appropriate and relevant to the company's business and industry.

## 6. ROLE OF THE BOARD

An important role of the Board is to define the purpose of the company (that is, its strategic intent and objectives as a business enterprise) and its values (that is, its organisational behaviour and norms to achieve its purpose). Both the purpose and the values should be clear, concise and achievable. It should also ensure that procedures and practices are in place which protect the company's assets and reputation. The Company's strategy is considered and agreed annually prior to the approval of the annual budget for the Company.

The Board is explicitly responsible for the stewardship of the company and, in discharging its obligations, the Board assumes responsibility in the following areas:

- retain full and effective control over the company and monitor management's implementation of Board plans and strategies;
- promote ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles and practices, and the company's own governing documents and codes of conduct. The Board is assisted in achieving compliance by the Audit and Risk Committee;
- strive to act above and beyond the minimum requirements, benchmark performance against international best practices and not only comply in practice, but be seen to comply;
- define levels of materiality, reserving specific powers for the Board and delegating other matters with the necessary written authority to management and institute effective mechanisms that stipulate Board responsibility for management's performance of its functions;
- act responsibly towards the company's relevant stakeholders; and
- be aware of, and commit to, the underlying principles of good governance.

Having regard to its role, the Board is concerned with key elements of the governance processes underpinning the operation of the company with attention to the following:

- reviewing the strategic direction of the company and adopting business plans proposed by management for the achievement thereof;
- approving specific financial and non-financial objectives and policies proposed by management;
- providing the requisite systems, practices and culture to manage all risks to which the company is exposed, including compliance with key regulatory and legal areas; these risk management / control responsibilities are delegated to appointed individuals, committees and functions;
- delegating authority for capital and other expenditure and reviewing investment, capital and funding proposals reserved for Board approval;
- providing oversight of performance against targets and objectives; and
- providing oversight of reporting to stakeholders on the direction, governance and performance of the company as well as other processes that need reporting and other disclosure requirements.

## 7. BOARD GOVERNANCE

### 7.1. Board procedures

- 7.1.1. The conduct of Board members will be consistent with their duties and responsibilities to the company and thus to the shareholders.
- 7.1.2. The Board shall be disciplined in carrying out its role, with the emphasis on strategic issues and policy.
- 7.1.3. The Board's discussions will be open and constructive. The Chairperson will seek to achieve consensus in the Board but may, where considered necessary, call for a vote. Discussions and records will remain confidential unless there is a specific direction from the Board to the contrary.
- 7.1.4. The Board's information needs shall be considered and reviewed annually. The Chairperson has sole authority over the Board agenda, however any Board member may request an addition of an item on the agenda.
- 7.1.5. The Board members are entitled to have access, at reasonable times, to all relevant company information and to senior management to assist them in the discharge of their duties and responsibilities to enable them to take informed decisions.
- 7.1.6. The Board members are expected to strictly observe the provisions of the legislation applicable to the use and confidentiality of company information.

### 7.2. Board Plan

The Board shall consider matters requiring annual review/approval, meeting frequency, reporting periods and related issues and document these matters in a Board Plan, which shall be reviewed annually by the Board.

## 8. BOARD COMMITTEES

- 8.1. The Board is authorised to form committees ("Board committees"). Board committees will be formed only when it is expedient or necessary to facilitate efficient decision-making to assist the Board in the execution of its duties, powers and authorities. Delegating authority to Board committees or management does not in any way mitigate or dissipate the obligation on the Board to discharge its duties and responsibilities.
- 8.2. There shall be transparency and full disclosure from the Board committees to the Board, except where the committee has been mandated otherwise by the Board.
- 8.3. Board committees will observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise.
- 8.4. Board committees will only speak or act for the Board when so authorised. The authority conferred on a Board committee will not derogate from the authority delegated to Management by the Board.
- 8.5. Special (ad hoc) Committees of the Board may be established by the Board from time to time.

## 9. MATTERS RESERVED FOR THE BOARD

The following matters shall be reserved for decision by the Board, subject to Shareholder approval as may be required, supported by any recommendation as may be made from time to time by the Board committees and/or executive management (as appropriate).

- 9.1. Strategic and Financial
  - 9.1.1. control over the strategic and business direction of the company;
  - 9.1.2. confirmation of the company's vision, mission, objectives and values;

- 9.1.3. the approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans or budgets;
  - 9.1.4. the approval of annual financial statements, the approval of interim reports, the valuation of unlisted investments, the declaration of dividends, capitalisation issues and the forfeiture of unclaimed dividends;
  - 9.1.5. the approval of the going concern concept;
  - 9.1.6. the approval of the content and format of profit and dividend announcements;
  - 9.1.7. the approval of credit mandates and limits;
  - 9.1.8. the recommendation to shareholders of any increase, reduction or alteration to the share capital of the company and the allotment, issue or other disposal of shares of the company (except for shares allotted under any share incentive scheme);
  - 9.1.9. the approval of entities/investments;
  - 9.1.10. The approval of any acquisition or merger more than ten million Rand;
  - 9.1.11. approval of securitisation programmes from time to time.
- 9.2. Statutory and Administrative
- 9.2.1. recommending amendments to the Memorandum or Articles of the company;
  - 9.2.2. recommending the appointment, removal or replacement of the external auditors of the company;
  - 9.2.3. the convening of general meetings of shareholders of the company;
  - 9.2.4. the approval of the notice and agenda for annual and general meetings of shareholders of the company;
  - 9.2.5. the prosecution, defence or settlement of legal or arbitration proceedings where material and outside the ordinary course of business;
  - 9.2.6. the appointment of responsible persons as may be required in terms of any applicable legislation in respect of the company;
  - 9.2.7. the approval of significant changes to the rules and amendments to the company's retirement fund, group life benefit fund, medical aid funds having a material effect on the actuarial liabilities of those funds as well as the appointment of employer trustees to those funds;
  - 9.2.8. the granting of general signing authorities pursuant to the memorandum or articles;
  - 9.2.9. the appointment, evaluation, removal or replacement of the Secretary;
  - 9.2.10. establishing any overseas branch or duplicate register of shareholders of the company;
  - 9.2.11. the variation of the rights attaching to shares where such powers are vested in the Board; and
  - 9.2.12. the formulation and amendment of the company's key policies.
- 9.3. Regulatory
- 9.3.1. the approval of terms and conditions of the company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions;
  - 9.3.2. the approval and authority to issue circulars to shareholders of the company;

- 9.3.3. the approval of and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents;
  - 9.3.4. recommending to shareholders that they approve any ordinary or special resolutions in respect of the company;
  - 9.3.5. recommending that the shareholders take a course of action proposed by the Board;
  - 9.3.6. any decision to list the company's shares on any stock exchange or to terminate any such listing; and
  - 9.3.7. the annual definition of material malfunctions in the internal controls, procedures and systems of the company in terms of the relevant legislation, and the approval of the annual report.
- 9.4. Corporate Governance
- 9.4.1. The approval of common law and any other governance recommendations as deemed appropriate and ongoing compliance therewith;
  - 9.4.2. the approval of the text contained in the corporate governance statement in the annual report;
  - 9.4.3. the evaluation of the effectiveness of the Board committees; and
  - 9.4.4. the governance framework including an overview of accountabilities and responsibilities, interconnected relationships between committees, charters, reporting lines, delegations of authority and alignment with the risk management strategy.

## 10. MANAGEMENT OF RISKS

The Board is ultimately accountable for any financial loss or reduction in shareholder value, and therefore has a duty to make the necessary enquiries to ensure that the requisite systems, practices and culture are in place to manage all risks to which the company is exposed. These risk management/control responsibilities are delegated to appointed individuals, committees and functions. The Board recognises the importance of risk management.

Specific responsibilities include the following:

- 10.1.1. the Board should make use of generally recognised risk management and internal control frameworks to oversee a sound system of risk management and internal control. In this respect, the Board will also take cognisance of and seek to align, as far as is appropriate, the company's risk management and internal control frameworks;
- 10.1.2. the Board should ensure that all regulatory requirements for governance, internal control and risk management are adopted and implemented in the company;
- 10.1.3. the Board is responsible for the total process of risk and capital management, as well as determining the company's appetite for risk and capital plans on an annual basis;
- 10.1.4. the Board oversees the setting of risk and capital management policies in liaison with the executive directors and senior management;
- 10.1.5. a comprehensive and well documented system of control should be in place and monitored by the Board to ensure that risks are mitigated in the attainment of the company's objectives;
- 10.1.6. risks should be assessed on an on-going basis and control activities should be designed to respond to risks throughout the company;
- 10.1.7. the Board should possess a general understanding of the risk rating and risk estimation system, and should understand and appreciate the nature of the responsibility that it has delegated to the Audit and Risk Committee and the implications for the company of the Committee's decisions;

10.1.8. in addition, the Board should ensure that the rating systems as set out in 10.2.7 above are subject to review at least annually by internal audit or a similar independent function.

## 11. BOARD MEETINGS

### 11.1. Participation

Board members will use their best endeavours to attend Board meetings and to prepare thoroughly. Board members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring to the Board table the benefit of their knowledge, skills and abilities. Board members who are unable to attend shall advise the Chairperson at an early date and confirm in writing to the Secretary.

### 11.2. Frequency and Quorum

11.2.1. The meeting programme is approved by the Board annually, as set out in the Board Plan.

11.2.2. Meeting procedures and related matters are governed by the Company's incorporation documents.

### 11.3. Agenda and meeting papers

11.3.1. The Chairperson shall establish standards for preparation of Board papers and reports.

11.3.2. The Chairperson shall ensure that an agenda is prepared prior to the meeting which shall be finalised in conjunction with the Secretary

11.3.3. The Group Secretary shall circulate the agenda and other meeting papers to the Board members at least **5** days before the date set down for the meeting.

### 11.4. Disclosure of Interests

Board members are required to observe the requirements of their letter of appointment in dealing with disclosures of interests.

### 11.5. Conflicts of Interest

Where appropriate, Board members should recuse themselves from discussion or decisions on matters of potential conflict, unless resolved otherwise by the Chairperson or by the remaining members of the Board. In the event of a Board member being conflicted, such Board member must advise the Secretary and the Chairman prior to the meeting at which such conflict will be discussed.

### 11.6. Retention of meeting papers

A record of Board submissions and papers, and of material presented to the Board, shall be maintained and held by the Secretary together with the minutes of meetings. These documents will be accessible to Board members. Board documentation circulated to Board members or tabled at Board meetings may be retained by Board members on a confidential basis or can be handed back to Secretary if not required.

### 11.7. Minutes

The practice for minuting meetings shall be to record processes and outcomes, rather than the course of discussion. The minutes shall however reflect sufficient detail of discussion, or linkage to submissions having served, supporting the Board's decisions or, where no decision is taken, to convey the sense of the Board deliberations. Any Board member may request that his or her views be specifically recorded in the minutes.

## 12 ACCESS TO INFORMATION

Former directors of the Company, including retired directors, shall have access to those Company records, minutes of meetings and other information necessary as is required in terms of law for their own defence in the case of any dispute or litigation arising in connection with their service as directors of the company.

## 13 COMMUNICATION WITH STAKEHOLDERS

The company has various management-approved policies governing communication, relationships and conduct with stakeholders. The company's stakeholders include shareholders, employees, customers, the community, government and regulators and various resource providers.

The Board recognises the importance of ensuring an appropriate balance in meeting the diverse needs and expectations of the Company's stakeholders, building lasting relationships with them and reporting to them in a balanced and comprehensible manner, reflecting substance over form.

## 14 BOARD EVALUATION AND PERFORMANCE

14.1 The Board shall annually have its performance evaluated by either an independent third party or evaluate its own performance, including its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role. There shall be an independent performance evaluation by an accredited and independent third party, every two years.

## 15. COMPANY SECRETARY ("SECRETARY")

15.1 The Secretary has a key role to play in ensuring that Board procedures are both followed and reviewed regularly, and has the responsibility in law to ensure that each Board member is made aware of and provided with guidance as to their duties, responsibilities and powers.

15.2 It is the responsibility of the Board, and in its own best interest, to ensure that the Secretary remains capable of fulfilling the function for which he/ she has been appointed, and the appointment and removal of the Secretary is a matter for the Board.

15.3 The Secretary is responsible for ensuring that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and that all matters associated with the efficient operation of the Board are maintained.

15.4 The Group Secretary must maintain statutory records in accordance with legal requirements.

15.5 In addition to the statutory duties of the Secretary, he or she must, as and when necessary, provide the Board as a whole and the Board members individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the company. The Secretary should provide a central source of guidance and advice to the Board.

15.6 The Group Secretary shall facilitate and co-ordinate the new director orientation and induction programme as well as ongoing training for existing directors.

15.7 The Secretary must keep abreast of, and inform the Board of current governance thinking and practice.

15.8 The Secretary shall be the ultimate custodian of the company's key policies and shall ensure that such policies are reviewed and updated on a regular basis.

## 16 INDEPENDENT PROFESSIONAL ADVICE

Directors may seek independent professional advice, and in certain circumstances must obtain such advice to properly discharge their fiduciary and other duties, subject to prior consultation with the Chairperson or in other appropriate circumstances, the Deputy Chairperson. The information required in such a request would typically include the motivation for seeking the advice (can only be related to company's affairs and not a director's personal affairs), estimated cost (prior approval by the Chairperson/Deputy Chairperson of the estimated cost is required) and any other relevant supporting information.

In cases where the Chairperson wishes to seek independent professional advice, it is required that this be done in consultation with the Deputy Chairperson.

The Secretary will act as facilitator regarding all such requests.

