

# STANDARD GROUP LIMITED

## BOARD CHARTER

### 1. Purpose of Charter

- 1.1 The Board Charter sets out the role, composition and responsibilities of the Board and Board Committees of the Standard Group Limited (herein after referred to as “the Company”).
- 1.2 The Board Charter and the conduct of the Board is subject to the Company’s Memorandum and Articles of Association, the Companies Act, 2015, the Capital Markets Authority Act, the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, and any other laws or regulatory provision.

### 2. Definitions

In this Charter, unless the context otherwise requires:

- 2.1 “Annual Work Plan” means a document setting out activities of the board over a period of time.
- 2.2 “Board member” means a board member who is a director of the Company.
- 2.3 “Charter” means this Board Charter.
- 2.4 “Conflict of Interest” means a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person’s self-interest and professional interest or public interest.
- 2.5 “Corporate Governance” means the process and structure used to direct and manage the business and affairs of a Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of other stakeholders.
- 2.6 “Executive Director” means a member of the Board who also serves as a manager of the Company.
- 2.7 Executive Management means members of the senior management who are tasked with the day-to-day management of the Company as constituted by the GCEO.
- 2.8 GCEO” means the Group Chief Executive Officer.
- 2.9 “Independent Director” means a member of a Board of Directors who does not have a material or pecuniary relationship with the Company or related persons, is compensated through sitting fees or allowances, does not own shares in the company and after nine years of service, a continuing independent director ceases to be one and assumes the position of a Non-Executive Director.
- 2.10 “Non-Executive Director” means a member of the Board of a Company who does not form part of the management team and who is not an employee of the Company or affiliated with it in any other way but can own shares in the Company;
- 2.11 “Regulator” means a Government Agency or Department that ensures compliance with laws, regulations and established rules.

### 3. Roles of the Board

- 3.1 The Company shall be headed by a Board which shall collectively direct the affairs of the Company by offering strategic guidance and leadership whilst ensuring accountability to its shareholders.
- 3.2 The functions of the Board shall be separate from those of the management and will include:

- 3.2.1 Provide effective leadership and collaborate with the Executive Management in articulating the organization's values, vision, mission and strategies and developing the strategic plan and ordering strategic priorities of the Company that are sustainable.
  - 3.2.2 Develop an organizational structure to support the achievement of strategic objectives; monitor the operational performance and establish policies and processes that ensure the integrity of the Company's internal controls and risk management.
  - 3.2.3 Review and approve the business plans and annual budget proposed by the Executive Management and evaluate the outcomes thereof.
  - 3.2.4 Establish such Committees, Policies and Procedures that will facilitate effective discharge of the Board's fiduciary and leadership functions.
  - 3.2.5 Establish and oversee the Company's corporate governance framework that promotes standards of ethical behavior.
  - 3.2.6 Ensure the Company's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the Company.
  - 3.2.7 Ensure that systems and procedures are in place for the Company to run effectively and efficiently.
  - 3.2.8 Establish appropriate staffing and remuneration policies for all employees.
  - 3.2.9 Appoint and evaluate the performance of the Group Chief Executive Officer (GCEO) and the Executive Directors.
  - 3.2.10 Act in the best interest of the Company and its business taking into consideration the interest of the Company's shareholders and stakeholders.
  - 3.2.11 Ensure that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group, but also the impact the business operations have on the environment and the society within which it operates.
4. **Delegation of Authority**
    - 4.1 The Board reserves specific powers to itself (as specified in clause 4 of this Board Charter) and the Committees and delegates other matters to the Executive Management.
    - 4.2 The Board delegates its day to-day powers and duties to the Group Chief Executive Officer (GCEO). The GCEO reports to the Board or other Committees established by the Board in accordance with the reporting systems and framework set out by the Board.
    - 4.3 The GCEO shall execute the overall policy direction for effective and efficient operation of the Company and will raise with the Board any material matter, or of significance affecting the Company which requires the Board's attention, including matters which exceed the delegated authority of the Executive Management, in an accurate and timely manner.
5. **Matters Reserved for the Board**

The following matters shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Committees of the Board as appropriate:

    - 5.1 **Financial:**
      - 5.1.1 The adoption of any significant change or departure in the accounting policies and practices of the Company.

- 5.1.2 Approvals of provisions and write-offs in excess of amounts specified by the Board from time to time.
- 5.1.3 The approval of the strategy, business plans and annual budgets and any subsequent material changes in the strategic direction or material deviations in business plans.
- 5.1.4 The approval of the Annual Report and Financial Statements, interim reports and declaration of dividends.
- 5.1.5 The recommendation to the 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.

## **5.2 Statutory and Regulatory:**

- 5.2.1 Recommending amendments to the Memorandum or Articles of Association of the Company.
- 5.2.2 Appointment, removal or replacement of the external auditor of the Company.
- 5.2.3 The variation of the rights attaching to any class of shares where such powers are vested in the Board.
- 5.2.4 The approval of terms and conditions of the Company's rights issue, public offers, issues of convertible securities including shares or convertible securities issued for acquisitions.
- 5.2.5 The approval and authority to issue circulars to shareholders of the Company.
- 5.2.6 The approval and authority to issue prospectus, listing particulars, rights offers or takeover or merger documents.
- 5.2.7 Recommendation to shareholders that approve any ordinary or special resolution in respect of the Company.
- 5.2.8 Recommending that the shareholders take a particular course of action proposed by the Board.
- 5.2.9 Any decision to list the Company's shares on any stock exchange or to terminate any such listing.
- 5.2.10 Convening of the Annual General Meeting of members of the Company.
- 5.2.11 Frequency of Board meetings.
- 5.2.12 The appointment, removal or replacement of the Company Secretary.

## **5.3 Human Resources & Administrative**

- 5.3.1 Appointments to and removals from the Board including the appointment of the Chairperson, GCEO, Executive Directors and Non-Executive Directors.
- 5.3.2 The appointment of, terms of reference and changes in the Composition of the Committees of the Board as established from time to time.
- 5.3.3 Any increase of Board members' fees as recommended by the Human Resource and Remuneration Committee and which shall finally be approved by the shareholders in a general meeting.
- 5.3.4 The approval of any employee incentive scheme, the rules applicable to such scheme and any amendment to such rules as recommended by the Human Resource and Remuneration Committee.
- 5.3.5 The formulation and/or review of human resource strategies, policies and practices including but not limited organization structure and staffing, remuneration and succession planning policies.

## 6. **Composition of the Board**

- 6.1 The Company subscribes to a unitary Board comprising of Executive and Non-Executive Directors, with the majority of the non-executive Directors being independent.
- 6.2 The size of the Board shall be dictated by the Company's Articles of Association which provides for a minimum of 3 and a maximum of 12 Directors.
- 6.3 The Board composition must comprise of a diverse mix of skills and expertise critical for effective oversight on the management of the Company and attainment of its strategic objectives. This shall be underscored by ensuring that each member has the requisite skill, experience, professional and industry knowledge and access to the necessary tools required for their effective performance.

## 6.4 **Appointment and Tenure of Office**

- 6.1.1 The Human Resources and Remuneration Committee will recommend candidates for directorships to be considered for appointment by the shareholders in a general meeting.
- 6.1.2 The Human Resources and Remuneration Committee shall assess candidates for directorship (including those proposed by shareholders) who have the necessary skills and expertise to exercise judgment on issues that are necessary to promote the Company's objectives and performance in its area of business.
- 6.1.3 The Board members' terms of appointment and retirement by rotation or otherwise shall be dictated by the Company's Articles of Association and the applicable laws.
- 6.1.4 Termination of service/employment contract of Executive Directors will result in resignation from the Board, unless the Board determines otherwise.
- 6.1.5 All Directors must disclose outside directorship and inform the Company Secretary of any changes to such directorships as soon as the changes take place provided that non-executive Directors shall not hold such directorships in more than three (3) public listed companies at any one time.
- 6.1.6 Executive Directors intending to accept outside directorship will consult the Chairperson and/or the GCEO, and will be considered to the extent that it is not in conflict with the business and will not detrimentally affect the existing responsibilities provided such directorship in a listed company shall be restricted to (1).

## 7. **Remuneration of Board members:**

- 7.1 The Board shall establish and approve formal and transparent remuneration policies for Board members in accordance to Article 86 of the Company's Articles of Association. Executive Directors will not be paid any Directors' fees in addition to their regular remuneration.
- 7.2 The Directors Remuneration shall be disclosed in the annual reporting and retroactively approved by the Shareholders in an Annual General Meeting.

## 8. **Board Evaluation**

- 8.1 For improved Board effectiveness, the Board will on an annual basis carry out an assessment of its performance, the performance of the Chairperson, the Board Committees, Individual members, the GCEO and the Company Secretary against pre-established performance criteria.

- 8.2 The Board will discuss the results of the evaluation exercise which shall inform the Board on the training needs for its members.
- 8.3 The Board shall disclose whether evaluation of the Board, the Chairperson, the GCEO and the Company Secretary has been undertaken in the Annual Report and Financial Statements of the Company.

## 9. **Board Training**

- 9.1 Upon appointment, each Director shall participate in an induction program formulated to effectively orient the member to the Company's business, strategy, objectives, policies, procedures, operations, senior management and the business environment. The induction shall include all the relevant information required by a member for effective performance of the Board as well as any aspects that are unique to the business.
- 9.2 To enhance corporate governance practices and enable each member have a clear understanding of their role in corporate governance, each Board member shall on an annual basis attend at least twelve (12) hours of governance seminars from an institution accredited/approved by the Regulator.
- 9.3 In view of the changing business environment, the Board shall ensure adequate development of its members through continuous training to keep the Board well informed of critical information pertinent to the business.
- 9.4 The Board will conduct an annual review to identify the areas where the Board members require further training.

## 10. **Board Committees**

- 10.1 In order to fulfill its duties, the Board has established the following Committees:
- 10.1.1 Board Finance and Audit Committee
  - 10.1.2 Board Human Resources and Remuneration Committee
- 10.2 The Board shall approve the membership (including the Chairpersons) and the Terms of Reference of each Committee.
- 10.3 The Board Committees shall report to the Board on matters referred to it by the Board and on proceedings following each meeting of the Committee.
- 10.4 The Board remains collectively responsible for the decisions of the Board Committee and shall review their effectiveness and performance annually.
- 10.5 Board Committees shall observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise.
- 10.6 The Board may increase or reduce the number of Committees as circumstances require from time to time.

## 11. **Role of the Chairperson and the Group Chief Executive Officer**

- 11.1. The Board shall appoint a Chairperson from amongst the Non-executive members in accordance to the Company's Articles of Association. The Board shall ensure that the roles of the Chairperson and the GCEO are separated.
- 11.2. **Board Chairperson:**  
The Chairperson is responsible for ensuring the integrity and effectiveness of the Board and Committees as follows:
- 11.2.1. To provide leadership to the Board and ensure its effectiveness in all aspects of its role
  - 11.2.2. Establish the Agenda for Board meetings in consultation with the GCEO and the Company Secretary

- 11.2.3. Preside over Board meetings and direct Board discussions to effectively use the time available to address the critical issues facing the Company.
- 11.2.4. Ensure that there is a robust process for Board succession and that a current pool of candidates has been identified.
- 11.2.5. Chair meetings of shareholders and act as the primary spokesperson for the Company during such meetings.
- 11.2.6. Develop the strategy for the Company, together with the GCEO, and ensure the Board is fully appraised and has the opportunity to debate the strategic Direction of the Company.
- 11.2.7. Ensure Board minutes properly reflect Board decisions.
- 11.2.8. Make certain that the Board has the necessary information to undertake effective decision making and actions.
- 11.2.9. Develop an ongoing relationship with the GCEO. As the major point of contact between the GCEO and the Board, the Chairperson should be kept fully informed of the day-to-day matters of interest to directors.
- 11.2.10. Ensure effective communication and presentation of the views of the Board to shareholders, the general public, governmental regulators and other stakeholders.
- 11.2.11. Together with the GCEO and the Company Secretary, ensure that the Company operates to the highest standards of corporate governance.
- 11.2.12. Ensure the Board undertakes continuous improvement in order to enhance governance practices within the Board, itself and in the interest of the Company.

### 11.3. **Group Chief Executive Officer:**

The Chief Executive Officer provides executive leadership and is accountable to the Board for the implementation of strategies, objectives and decisions within the framework of the delegated authorities, values and policies of the Company, which include:

- 11.3.1. Lead management in implementing the policies and strategies formulated and adopted by the Board.
- 11.3.2. Supervise and control the general day to day management and operation of the Company.
- 11.3.3. Develop and recommend to the Board annual business plans and budgets that support the Group's long-term Strategy.
- 11.3.4. Monitoring and report to the Board on performance of the Company and ensure conformance with strategic imperatives.
- 11.3.5. Establish and maintain efficient and adequate internal control systems that will ensure the assets of the Company are adequately maintained and protected.
- 11.3.6. Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the Company.
- 11.3.7. Ensure that all Company operations comply with the applicable laws and regulations and Company policies in force from time to time.
- 11.3.8. Appoint and/or recommend to the Board competent officers to manage the operations of the Company. In this regard, the GCEO should ensure that the Company's Human Resource Policies are adhered to.
- 11.3.9. Ensure that the Board is frequently and adequately appraised about the operations of the Company through presentation of relevant Board papers.
- 11.3.10. Carry out any other duties as may be assigned by the Board from time to time.

## 12. **The Company Secretary**

- 12.1 The Board shall appoint a Company Secretary to assist the Board and all Board members.



- 12.2 The Company Secretary is responsible for carrying out the administrative and legislative requirements of the Board, as follows:
- 12.2.1 Ensure that the Board complies with its obligations under the law and the Company's Articles of Association.
  - 12.2.2 Ensure that the Board agenda is developed in a timely and effective manner for review and approval by the Chairperson.
  - 12.2.3 Ensuring, in conjunction with the GCEO, that Board papers are developed in a timely and effective manner.
  - 12.2.4 Coordinating, organizing and attending meetings of the Board and shareholders and ensuring that correct procedures are followed.
  - 12.2.5 Drafting and maintaining minutes of Board meetings.
  - 12.2.6 Meeting statutory reporting requirements in accordance with relevant legislation.
  - 12.2.7 Assist the Board with the Board Evaluation exercise.
  - 12.2.8 To coordinate the Governance Audit exercise.
  - 12.2.9 To maintain and update the register of conflict of interest.
  - 12.2.10 To carry out any other duties as may be assigned by the Board and the GCEO from time to time.

### 13. Duties of Board Members

- 13.1. Each Director of the Company shall have the fiduciary duty to:
- 13.1.1. Exercise a reasonable degree of care, skill and diligence.
  - 13.1.2. Act in good faith and in the best interests of the Company and not for any other purpose.
  - 13.1.3. Act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the company.
  - 13.1.4. Exercise independent judgement at all times.
  - 13.1.5. Devote sufficient time to carry out their responsibilities and enhance their skills.
  - 13.1.6. Promote and protect the image of the company.
  - 13.1.7. Owe their duty to the Company and not to the nominating authority.
  - 13.1.8. Owe the Company a duty to hold in confidence all information available to them by virtue of their position as a Board member.

### 14. Board Meetings

#### 14.1. Frequency & Attendance

- 14.1.1. The Board will meet not less than four times formally per annum and as frequently as may otherwise be required to deal with urgent matters.
- 14.1.2. The Board meetings will be held at such venue as the Board deems appropriate.
- 14.1.3. Board members will use their best endeavours to attend all Board meetings and to prepare thoroughly. A Director who is unable to attend a Board meeting shall prior to such meeting, send an apology, with reasons, to the Chairperson or Company Secretary.
- 14.1.4. The Chairperson in conjunction with the GCEO should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Company's Executive Management responsible for a matter included as an agenda item at the relevant meeting.

#### 14.2. Agenda

- 14.2.1. The Board will establish an Annual Work Plan for each year to ensure that all relevant matters are covered by the Agendas of the meetings planned for the

year. The annual plan must ensure proper coverage of the matters laid out in this Charter and other applicable laws and regulations.

- 14.2.2. The timing and length of meetings and the Agendas are to be determined in accordance with the Annual Plan.
- 14.2.3. The Company Secretary in consultation with the GCEO will prepare the Agenda for each Board and Committee meeting.
- 14.2.4. Except in exceptional circumstances, the Company Secretary will circulate the Board or Committee Agenda together with the Board pack at least seven (7) days before the date set down for the meeting.

#### 14.4 **Proceedings of Meetings**

- 14.4.1 The quorum necessary for the transaction of business may be fixed by the Directors and unless so fixed, shall be three (3) as provided in Article 106 of the Company's Articles of Association.
- 14.4.2 In addition to the matters set out in the Charter, meetings and proceedings of the Board shall be governed by the Company's Articles of Association.
- 14.4.3 The Board's discussions shall at all times be open and constructive. The Chairperson shall seek a consensus in the Board but may, where considered necessary, call for a vote in conformance with the Company's Articles of Association.
- 14.4.4 The Directors are entitled to have access, at reasonable times, to all relevant Company information and to Executive Management in accordance to the procedure approved by the Board.
- 14.4.5 The Directors are expected to observe confidentiality restrictions on use of Company information.

#### 14.5 **Minutes:**

- 14.5.1 The minutes of Board meetings must be concluded as soon as possible and circulated to the Chairperson and all members of the Board for review. The minutes must be formally approved by the Board at its next meeting.

### 15 **Board Independence**

- 15.4 The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest. Board members shall be required to declare to the Board any interests that may give rise to potential or perceived conflict of interest including but not limited to other directorships, business relationships or other circumstances that could interfere with exercise of objective judgment.
- 15.5 Each Director shall declare as soon as they become aware that a subject to be discussed at a Board meeting or Committee meeting may give rise to a conflict of interest on or before commencement of the applicable meeting. Subject to the provisions of the Company's Articles of Association and other applicable laws, the conflicted Director shall not participate further in discussion of that subject or vote on it.
- 15.6 The Board shall evaluate all potential or perceived conflicts of interest so declared and make a decision as may be appropriate.
- 15.7 A register of declared conflict of interest shall be maintained by the Company Secretary.



## 16 Code of Ethics and Conduct

- 16.4 The Board shall approve a written Code of Ethics and Conduct. The Code of Conduct shall set out ethical and behavioral expectations for both Directors and employees. A Summary of this Code shall be made available on the Company's website.
- 16.5 Adherence to the Code of Conduct shall be periodically evaluated and intermediate action taken, where necessary.

## 17 Confidential Information and External Communication

- 17.4 The Board has established the following principles to apply in respect of information of the Company:
- 17.4.1 Generally, the Chairperson and/or the GCEO will speak for the Company. Individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chairperson.
- 17.4.2 All Directors are required to keep all information provided to them, in their capacity as a director, confidential.

## 18 Independent Advice

- 18.4 A Director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:
- 18.4.1 A Director must seek the prior approval of the Chairperson.
- 18.4.2 In seeking the prior approval of the Chairperson, the Director must provide the Chairperson with details of:
- (a) the nature of the independent professional advice being sought;
  - (b) the likely cost of seeking the independent professional advice; and
  - (c) details of the independent adviser the Director proposes to instruct.
- 18.4.3 The Chairperson may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice.
- 18.4.4 All documentation containing or seeking independent professional advice must clearly state that the advice is sought in relation to the Company.
- 18.4.5 The Chairperson may determine that any advice received by an individual Director will be circulated to the other members of the Board.

## 19 Relations with Shareholders and Stakeholders

- 19.4 The Board shall recognize, respect and protect the rights of shareholders and shall ensure equitable treatment of all holders of the same class of issued shares including minority and foreign shareholders.
- 19.5 The Board shall maintain an effective communication policy that enables both management and the Board to communicate effectively with its shareholders, stakeholders and the public in general.
- 19.6 All shareholders shall receive relevant information on the Company's performance through multiple channels stipulated in the Company's Articles of Association.

## 20 Relations with Stakeholders

- 20.4 The Board shall identify all its stakeholders and develop strategies and suitable policies to proactively manage relations with different stakeholder groups.

- 20.5 The Board shall establish effective communication channels with the Company's stakeholders including the media as may be appropriate.
- 20.6 The Board shall establish effective whistle-blowing mechanisms that will encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.

## 21 **Publication of Charter**

- 21.4 Key features of the charter are to be outlined in the annual report to shareholders.
- 21.5 The Charter is to be made available to shareholders of the Company on request and will be published on the Company's website.

## 22 **Approval and Review of Charter**

- 22.4 This Charter was adopted by the Board on the 30<sup>th</sup> day of January 2017.
- 22.5 The Board will review this Charter on an annual or *ad-hoc* basis to ensure it remains consistent with the Board's objectives and responsibilities.