

# **CORPORATE GOVERNANCE CODE**

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## CORPORATE GOVERNANCE CODE

### I. OUR GOVERNANCE PHILOSOPHY

BPC's corporate culture is founded on its legacy, on the conscious efforts of the board and management to adopt and promote good governance, and on awareness that the long-term interests of the company are best served by maintaining a strong commitment to honest and open business practices.

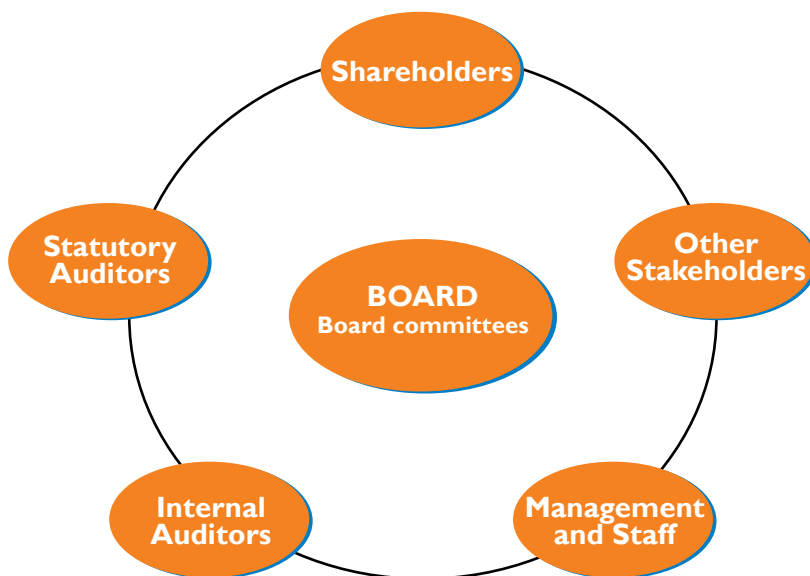
BPC's philosophy on corporate governance is driven by its desire to attain the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders, including its customers, shareholders, and employees as well as government, statutory authorities, regulators, lenders and the wider community. The company believes that all its operations and actions must serve its underlying goal of enhancing the overall enterprise value and safeguarding trust of the shareholders.

Our governance practices seek to go beyond statutory and regulatory requirements. We endeavor to follow the spirit of good governance rather than simply fulfill the conditions specified by regulatory authorities. In short, our governance principle is "Governance practices beyond regulatory requirements."

The Corporate Governance Code is based on the best corporate governance principles embodied in the OECD Principles of Corporate Governance and the requirements of the Companies Act, 2006, the Securities Act, 2007, Securities Registration and Issuance Regulation, 2008 of Nepal and the Memorandum and Articles of Associations of the company.

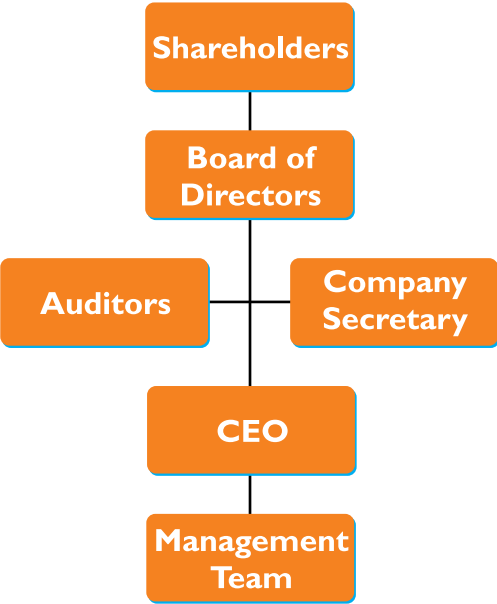
## 2. CORPORATE GOVERNANCE FRAMEWORK

The key constituents of BPC's corporate governance framework are shareholders, the board of directors, board Committees, auditors, the management, staff and all other stakeholders. The relationship between the constituents are internalized and this internalization is a guiding criteria in the policies, procedures, practices and actions adopted to ensure that corporate values meet stakeholders' expectations.



### 3. CORPORATE STRUCTURE

BPC’s corporate structure clearly differentiates the roles and responsibilities of the board and those of the management to ensure that the expectations of stakeholders are met effectively and efficiently.



## 4. SHAREHOLDERS

The Board of Directors and the management team led by the Chief Executive Officer (CEO), recognizes their responsibility to represent the interests of the shareholders and to enhance shareholder's value.

### 4.1. Shareholders' Rights

- a. Every shareholder has the following basic rights:
  - To register ownership using secure methods;
  - To convey or transfer shares;
  - To obtain relevant information on the company on a timely and regular basis;
  - To participate and vote in the general meetings of shareholders ;
  - To nominate or elect and to remove members of the board; and
  - To share the profits of the company.
- b. Shareholders have the right to participate in decisions concerning fundamental corporate changes, such as the following:
  - Amendments to the memoranda and articles of association of the company
  - Changes in capital structure
  - Raising equity
- c. The company gives equal weightage to the comments and suggestions put forward by the shareholders regardless of the number of shares he or she holds; and acts in the best interests of the company.

### 4.2. Shareholder's Meeting

#### 4.2.1. Annual General Meeting

- a. BPC holds its annual general meetings of shareholders within six months after end of every fiscal year. The company sends notice containing the agenda, date, time and venue of the shareholders' meeting to shareholders at least 21 days in advance and also publishes the notice in Nepal's national daily newspaper twice. It also sends special agenda, brief financial statements and the report of the board of directors. These details are uploaded on its web site.
- b. At the meeting, shareholders have the right to: ask questions, including questions related to the annual financial statements; place items on the agenda; and subject to reasonable limitations, propose resolutions.
- c. Vote in person or by proxy and equal effect is given to votes whether cast in person or proxy.
- d. If an annual general meeting has to be postponed, notice with new date of convention is published in national newspaper at least seven days in advance.

#### 4.2.2. Extraordinary General Meeting

- a. If a decision has to be made on any matter under the jurisdiction of shareholders or on any matter which the board believes ought to be discussed in a shareholders meeting in the intervening period of annual general meetings, extraordinary general meeting is held. An extraordinary general meeting can be called in various circumstances: as required by the board, as

instructed by the Office of the Company Registrar, as recommended by the auditor, as requested by any shareholder holding a 10% or greater share, or as requested by at least one-quarter of shareholders.

- b. In any of these cases, the company sends a notice containing the agenda date, time and venue of the meeting to the shareholders at least fifteen days in advance and publishes the notice in the national daily newspaper at least twice, and this information is uploaded on the company's web site.

## 5. BOARD OF DIRECTORS

### 5.1. Board Composition

- a. The board consists of eight non-executive directors including one independent director appointed by shareholders.
- b. All directors are non-executive and independent of the management. Directors do not receive any remuneration from the company except meeting allowance and telephone and transportation allowance.
- c. The members of the board possess a good balance of qualifications, skills and experiences from diverse areas as is appropriate to meet the requirements of the business of the company. The independent director has sufficient expertise and clout that he or she can make a positive contribution to the growth and development of the company.
- d. The views of the management are represented at

board meetings by the CEO as well as by other senior executives when required.

- e. Details about the members of the Board are published in annual report and on the website. Information is updated whenever changes are made.

### 5.2. Appointment, Re-election and Removal

- a. The appointment of directors is based on the shareholding ratio, as is given below:
  - Six directors are nominated by institutional shareholders for a tenure as they deem appropriate;
  - One director is elected by the general public and employee shareholders for a tenure of four years, and
  - One independent director is nominated at the shareholders' meeting with the recommendation of the board of directors for tenure of four years.
- b. If position of either the independent director or the director representing the general public and employee shareholders becomes vacant, it shall be filled for the remainder of the tenure by holding a fresh election at a shareholders' meeting. Until such a meeting is held, the board may fill the vacant position by nomination.
- c. A director shall not continue to hold the office as a director in any of the following circumstances. Such a circumstance will be lead to disqualification.
  - Is younger than 21 years of age;
  - Is of unsound mind or is insane;

- Has been declared insolvency within the last five years;
- Has been convicted of corruption or moral turpitude.
- Has been convicted of and sentenced for theft, fraud, forgery or of the embezzlement or misuse of goods or funds entrusted to him/her by an authority; and whose sentence has been expired for less than three years;
- Has a personal interest of any kind in the business or any contract or transaction with the company;
- Is already a director, substantial shareholder, employee, auditor or advisor of another company having similar objectives or has a personal interest of any kind in such a company;
- Is a shareholder that is held to have failed to pay any amount due and payable by him or her to the company;
- Has been sentenced to any imprisonment or fine and one year has not yet passed since the expiry of the sentence;
- Does not possess a qualification or is disqualified under the Articles of Association of the company;
- Is the director of any company which has not submitted whatever returns and reports are required to be submitted to the Office of the Company Registrar for any three financial years in a row;
- Is a director in another listed company, receiving any remuneration or facility other than an allowance for attending meetings and conveyance and associated expenses for attending meetings.
- In addition to the above disqualifications, no person of the nature described below shall be eligible to be appointed or to continue to hold the office as an independent director:
  - Is a shareholder of the company;
  - Has not obtained at least a bachelor's degree in engineering, management, account, law, medicine or environment with minimum ten years of experience either in that field;
  - Is currently an officer or employee of the company or who has retired from office not earlier than three years;
  - Has not completed twelve months after completion of the tenure of office either as independent or non-independent director;
  - Is a close relative of any official or director of the company; and
  - Is an auditor of the company or a partner of auditor.
- If the general meeting passes a resolution to remove a director from his or her office,
- If the resignation tendered by a director is accepted by the board;
- If a director is held by a court to have committed any act involving dishonesty or, in the case of



- company activities, displaying an ulterior motive;
- If a director is held by a court to have committed any action prohibited to directors under the Company Act or to have failed to perform any action required under the same legislation;
- If a director is blacklisted by a competent body pursuant to the prevailing law for defaulting in the repayment of a loan from any bank or financial institution, and the period of such blacklisting has not expired.
- d. The company gives every director the opportunity to submit a clarification of his or her situation before he or she is removed from the position of director.

### 5.3. The Responsibilities of the Board

- a. The board is responsible for promoting the success of the company by directing and supervising its affairs in a responsible and effective manner. All directors have a duty to act in good faith in the best interests of the company. The directors are aware of their collective and individual responsibilities towards shareholders to ensure that the affairs of the company are managed, controlled and operated properly.
- b. The responsibilities of the board include:
  - Establishing the strategic direction of the company
  - Setting the objectives of management
  - Monitoring the performance of the company and the management

- Periodical evaluation of performance of the board and board committees
- Overseeing management's relationships with stakeholders, such as governments, customers, the community, and other stakeholders
- Ensuring that effective internal control systems are in place
- Oversight and monitoring of risks faced by the company and its management
- Setting the company's values, standards and policies
- Compliance with the corporate governance code.
- Promote BPC corporate value framework

### 5.4. The Chairperson

- a. The positions of chairperson and chief executive officer are separate to ensure that a clear distinction between the chairperson's responsibility to manage the board and the chief executive officer's responsibility to manage the company's business is maintained.
- b. The division of responsibilities between the chairperson and the chief executive officer is clearly established and set out in writing.
- c. The chairperson of the board is appointed by the board of directors. The responsibilities of the chairperson include the following:
  - Ensure that all directors are properly briefed on matters to be discussed at board meetings;
  - Ensure that all directors receive adequate,

complete and reliable information in a timely manner;

- To provide leadership to the board;
  - Ensure that the Board works effectively, discharges its responsibilities, and discusses all key issues in a timely manner;
  - Ensure that the company secretary fixes the agenda for board meeting after taking into account any matters proposed by the directors or the management for inclusion in the agenda;
  - Ensure that good corporate governance practices and procedures are in place;
  - Through the company secretary, oversee the implementation of the practices and procedures set out in this code;
  - Give all directors opportunity to express his or her views at board meetings, encouraging all directors to fully contribute to the board's affairs and ensuring that the board acts in the best interests of the company;
  - Facilitate effective contribution of directors in the meetings; and
  - Encourage Directors to play an active part in the company's affairs through participation in corporate events.
- d. The chairperson has a deciding vote in the event of a tie in voting on any matter to be decided by the board.

### 5.5. Responsibilities of Directors

- a. All directors, collectively and individually, are aware of their responsibilities to all shareholders for their own conduct and for the conduct of business activities and the development of the company and shall perform their responsibilities in accordance with this code.
- b. Every director ensures that he or she can give sufficient time and attention to the affairs of the company.
- c. Responsibilities of the directors include the following:
  - participation in board meetings to provide independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
  - promoting review and control of the management process;
  - taking the lead where potential conflicts of interests arise;
  - serving on board committees if invited;
  - giving the board and the committees on which they serve the benefit of their skills and expertise through regular attendance and active participation;
  - attending shareholders' meetings and developing a balanced understanding of the views of shareholders;
  - contributing positively to the development of the company's strategy and policies,
  - Scrutinizing Company's performance in achieving corporate goals and objectives.

- d. The independent non-executive directors, to whom any shareholder can convey his or her concerns, help to ensure that the interests of all shareholders, not only those of a particular faction or group, are properly taken into account by the board. The views of the independent non-executive directors carry significant weight in the board's decision-making process.
- e. All directors are obliged to comply with the BPC's corporate value system and code of conduct and ethics.
- f. At the time of appointment and on a yearly basis after that, each director must disclose to the company the details of all offices held in other, named companies or organizations and other significant commitments.

#### 5.6. Company Secretary

- a. The Company secretary is appointed by the board of directors. His or her duties include:
  - Implement or cause to be implemented the decisions made by the board of directors and the general meeting as well as matters directed by the Office of the Company Registrar or other regulatory institutions;
  - Submit any documents, decisions and other material required to the Office of the Company Registrar or any other regulatory institutions.
  - Convene meetings of the board of directors and general meetings;
- b. Except as decided at a general meeting, the company secretary shall not carry out, or cause to be carried out, any act in the name of or through the company that yields personal benefits to him or her.
  - Prepare the agendas to be discussed in both board and general meetings and send them to the concerned directors or shareholders;
  - Maintain the records of authenticate and take charge of the decisions made at board and general meetings;
  - Issue notice about the allotment of shares and a call on shares pursuant to the decisions of the board of directors;
  - Accurately and properly maintain, take charge of, and authenticate the register and records of shareholders;
  - Refer the matter of a pledge, mortgage, transfer or transmission of any shares or debentures to the board of directors so that this transaction can be recorded;
  - Transmit any claim, petition, grievance, suggestion, or other communication made by any shareholder in writing to the board, and to inform in writing the concerned shareholder of the results of any action taken in regard to his or her communication; and
  - Perform any other functions that the prevailing law or the BPC specifies the company secretary must do.

- c. The company secretary shall observe the corporate value system and code of conduct & ethics.

### 5.7. Board Meetings

- a. Board meetings are called by the company secretary in consultation with the chairperson generally in every two months. All directors are expected to participate actively at every board meeting. CEO is duty bound to attend the board meetings unless specifically decided by the board otherwise.
- b. Obtaining consent through the circulation of written resolutions is not treated as a regular board meeting. The frequency of and time between board meetings as well as the attendance of each director is published in the annual report.
- c. The chairperson presides over board meetings. In absence of chairperson, the directors present at the meeting appoint one of the directors as chair for the meeting who presides over the board meeting.
- d. Board meetings are scheduled in advance and an annual calendar of meetings is prepared with the objective to ensure that all directors attend the meetings.
- e. All directors have the opportunity to include matters in the agenda of the board meetings. Other than in exceptional circumstances, notices of board meetings are sent to the directors at least five days in advance. For emergent other board meetings if necessary, reasonable notice is given.
- f. A full agenda and any accompanying board papers wherever necessary for making informed decisions, are circulated to all directors usually five days but not less than two days in advance before the board meeting.
- g. Minutes of each board meeting are recorded and filed by the company secretary and any director can avail them for reference during office hours.
- h. The significant points considered and deliberated during board meeting and the decisions reached are recorded in the minutes. A draft version of the minutes is sent to all directors for their comments generally within seven working days after the meeting, before they are finalized.
- i. The board has established written procedures stating the issues which can be decided upon only by the entire board and which can be decided upon by board committees or by the management. These procedures are reviewed periodically.
- j. Matters which require the entire board to make a decision include the setting of the strategic direction of the group, any matters involving a conflict of interest for a substantial shareholder or a director, material acquisitions and disposals of assets, investments, capital projects, authority levels, corporate policies and key human resource issues.
- k. If a director has a conflict of interest in a matter to be considered by the board he or she should declare his or her interest at or prior to the meeting of the board or board committee in question and consider withdrawing from the meeting when the matter is discussed. Directors with a conflict of interest must abstain from discussion and voting on any board or

committee resolution and their presence is not counted in the quorum.

- i. Directors are aware and are reminded by the company secretary before the board meeting on the agenda that they must abstain from decision-making and voting on any board resolution in which they or any of their associates have a material interest and that they shall not be counted in the quorum present at the Board meeting.
- m. Any failure to be mindful of or to declare a conflict of interest will be recorded and will be a parameter used in evaluating a director's performance. Meetings can be held through video or teleconference.
- n. Board Meetings are conducted as per the Board Meeting Guideline.

### 5.8. Board Committees

The board has constituted the following five committees and designed specific terms of reference. All these terms of reference specifically mention the requirement that committees report back to the board and provide feedback on matters of significance.

- Audit committee
- Budget committee
- Remuneration committee
- Shareholder grievance committee
- Healthy, safety, and environment committee

The management is duty bound to attend the board committee meetings as required. Third parties are invited to attend board committee meetings as required.

The provisions of this code with regard to the scheduling and conduct of meetings, the provision on advance notice for meetings, inclusion of agenda items, recording and availability of minutes, access to relevant information, and conflict of interest which are applicable to the board apply to all the board committees as well.

#### 5.8.1. Audit Committee

- a. The Audit committee comprises three members of the board of directors. The chairperson has both professional qualifications and experience in financial matters.
- b. The duties and responsibilities of the committee are listed below.
  - To review the accounts and financial statements of the company and ascertain the truth of the facts mentioned;
  - To review the internal financial control and the risk management systems of the company;
  - To supervise and review the internal auditing of the company;
  - To recommend the names of potential auditors for appointment to the post of the auditor of the company and fix his or her remuneration and terms and conditions of appointment and to present that proposal at a general meeting for decision;
  - To ensure that the auditor of the company observes all manner of conduct, standards and directives as a competent body has determined

should be observed in the course of auditing pursuant to the prevailing law;

- To formulate guidelines for selection and appointment of auditors;
  - To develop accounting policy for the company and enforce the policy, or ensure that it is enforced;
  - To perform any other functions as are prescribed by the board of directors with respect to the accounts, financial management and auditing of the company.
- c. The Audit Committee appoints secretary of the audit committee. The secretary of the audit committee, under the direction of the chairperson of the audit committee, ensures that the committee is provided with sufficient information and resources to discharge its responsibilities.
- d. The management, represented by the CEO and the chief finance officer/head of finance are duty bound to attend all meetings of the audit committee.
- e. The audit committee is authorized to seek information from any employee, director, or advisor, and to obtain an external independent professional opinion as is required.
- f. The audit committee meets at least four times a year.

#### 5.8.2. Budget Committee

- a. The budget committee comprises two members of the board of directors. The chairperson has appropriate professional qualifications and experience in business management.
- b. The chief finance officer/head of finance serves as

secretary of the budget committee.

- c. The secretary of the budget committee, under the direction of chairperson of the budget committee, ensures that the committee is provided with sufficient information to discharge its responsibilities.
- d. The CEO and the vice-presidents of the company attend meetings of the budget committee.
- e. The budget committee meets twice a year.

#### 5.8.3. Remuneration Committee

- a. The remuneration committee comprises three members of the board of directors. The chairperson has appropriate professional experience and does not chair any other board committee.
- b. The company secretary serves as the secretary of the remuneration committee.
- c. The secretary of the remuneration committee under the direction of chairperson of the remuneration committee ensures that the committee is provided with sufficient information to discharge its responsibilities.
- d. The committee reviews and recommends the company's remuneration policy and structure to the board.
- e. The committee makes recommendation to the board about fees and allowances for the directors.
- f. The committee reviews and approves performance-based remuneration system in alignment with the corporate goals and objectives set by the board.

- g. The committee consults the chairperson of the board and the CEO on proposals regarding remuneration and benefits.
- h. The remuneration committee is authorized to obtain external professional advice if necessary.
- i. The remuneration committee meets at least once a year.

#### 5.8.4. Shareholder Grievance Committee

- a. The shareholders grievance committee comprises of three members, the board chairperson, the company secretary and the CEO. The chairperson shall preside over the meetings of this committee and the company secretary shall serve as its secretary.
- b. The shareholder grievance committee shall meet at least once a year. The committee shall hear the grievances, comments and suggestions of shareholders and make appropriate recommendations to the board.

#### 5.8.5. Health, Safety and Environment Committee

- a. The health, safety and environment committee comprises two members of the board of directors. The CEO and VP-Corporate attend the meetings of health, safety and environment committee.
- b. The health, safety and environment committee reviews the practice of and compliance with the policies of the company regarding the health, safety and environment of employees and makes suitable recommendations.
- c. This committee evaluates the position of the company and the perceptions of stakeholders with respect to

corporate social responsibility and the environment and reports shortcomings with recommendations for addressing them to the board.

- d. The health, safety and environment committee meets at least once a year.

## 6. MANAGEMENT

### 6.1. Management Team

- a. The management team is charged with the successful implementation of the strategy and direction of the company as approved by the board. In carrying out this task, the team must apply business principles and ethics which are consistent with those expected by the board, company shareholders and other stakeholders.
- b. Overall responsibility for the performance of the management team and the business lies with the CEO.
- c. The authority entrusted to the CEO by the board is delegated to the management team and staff to carry out specific management and administrative functions. In delegating authority, the following concepts are adhered to:
  - Delegation is made on the basis of need, not on the basis of prestige, status or grade;
  - Authority is delegated to positions rather than to individuals;
  - The degree of authority delegated is commensurate with the level of delegate's responsibility assigned;
  - Authority is linked to expenditure and other

transactions made within the existing area of responsibility of the delegate;

- No employee shall approve his or her own expenses; and
- Authority may be changed, or an exception granted, only by the original delegator.

#### 6.1.1. Chief Executive Officer

- a. The Chief Executive Officer is appointed by the board and entrusted with the responsibility of management of the company.
- b. The salary and other remuneration of the Chief Executive Officer are decided by the board.
- c. The board reviews the CEO's performance in pursuit of the company's goals and objectives annually.
- d. The responsibilities of the CEO include the following:
  - To provide leadership to the management team and overall management of the company as per the guidelines set by the board;
  - Formulate the business strategies and to implement the strategic direction set by the company;
  - Ensure that the board is provided with accurate, clear and sufficient information timely, and provide his recommendation to enable the board to make sound decisions;
  - Provide regular information to the board about the company's performance, activities, significant commitments & agreements.
  - Oversee the relationship of the company with

its stakeholders as are maintained by different business units;

- Provide counsel to the top management and develop management succession planning;
  - Ensuring processes are in place for maintaining the integrity of the company and compliance with Code of Conduct and Ethics
  - To discharge such duties and authority as may be delegated in writing by the board or any other duty as may be required by the Company Act;
  - Identify and mitigate major risk exposures to the company;
  - To attend the board meetings and board committees' meetings.
- a. The CEO is entrusted with executive and administrative authority for the smooth, effective and efficient functioning of the company, verbal and written communication with all stakeholders and authority for entering into agreements or commitments on behalf of the company.

## 7. AUDITORS

### 7.1. Internal Auditor

- a. Internal audit process shall be outsourced in order to have independent view on internal controls to ensure that the good financial and corporate governance is practiced and, in consequence, interests of all shareholders are protected.
- b. The terms of reference for the internal auditor include



internal control, risk management system, compliance and other basic components which ensure the quality of financial and corporate governance.

### 7.2. External Auditor

- a. External auditor is appointed at the shareholders meeting on the recommendation of the audit committee to carry out a statutory financial and tax audit of the company for the fiscal year. No external auditor may be reappointed for more than three consecutive years.
- d. The external auditor audits the books, records and accounts of the company and provides his or her report to the company in the form of a certified balance sheet, a profit-and-loss statement and a cash-flow statement.
- b. The audit report should also assess the following conditions:
  - Whether the information and explanations required for the completion of the audit were made available;
  - Whether the books of account were properly and accurately maintained by the company which reflects its true business affairs as is required by the prevailing laws;
  - Whether the balance sheet, profit-and-loss statement and cash-flow statement were prepared in compliance with the accounting standards prescribed under the prevailing law;
  - Whether, in the opinion of the auditor, the presented balance sheet properly reflects the

financial situation of the company, and the profit-and-loss statement and cash-flow statement as on year end date, accurately reflect the profit and loss and the cash flow of the company;

- Whether the board of directors or any representative or any employee has acted contrary to law or misappropriated any property of the company or caused any loss or damage to the company;
- That the disclosures have been appropriately made to reflect the true position of the company's financial statements;

### 8. FINANCIAL REPORTING

- a. In addition to submitting its annual report, the company reports its financial statements to the Securities Board of Nepal and to the Nepal Stock Exchange on a quarterly basis and publishes the same in the national level newspaper.
- b. The audited financial statement is communicated to the Office of the Company Registrar along with the board of directors' report, auditor's report and the minutes of the annual general meeting of shareholders and is posted on the web page of the company.

### 9. INTERNAL CONTROLS AND RISK MANAGEMENT

- a. The company has implemented an internal control system through well defined processes of business

operations as well as the roles and responsibilities of employees and the authority he or she has to carry out those roles and responsibilities. We review the components of our internal control system on a yearly basis to ensure that the system is functioning well.

- b. The company has an effective risk management system which includes mechanisms for identifying risks, updating and/or amending the company's risk profile, identifying the process owner responsible for each risk, and monitoring risks to ensure that they are mitigated properly and adequately.

#### **10. COMMUNICATION WITH SHAREHOLDERS**

- a. Communication with shareholders is crucial as only if shareholders are informed and updated on the progress and performance of the company, can make appropriate and informed decision.
- b. The company provides shareholders with notice about and the agenda of each annual general meeting as well as abridged financial report, report of the board of directors and t special resolutions if any. The company also informs shareholders of any extraordinary general meeting and provides them with its agenda and any relevant special resolutions.

- c. The annual report, which includes the report of the board of directors, the corporate governance report, the auditor's report, the audited financial statement and other matters regarding the company's progress and performance during the year in question is made available before the annual general meeting is held.
- d. The company publishes a notice of every annual and extraordinary general meeting twice in national daily newspapers requesting shareholders to attend. Notice of an annual general meeting is published at least 21 days in advance while that of an extraordinary general meeting at least 15 days in advance.
- e. The notice, agenda, reports and other information regarding annual and extraordinary general meetings are uploaded on the web site of the company to increase its reach to shareholders and other stakeholders.

#### **11. OTHER STAKEHOLDERS**

The company gives due regard and consideration to all other stakeholders' concerns in line with the business principles, policies, codes and guidelines of the company.