KINA ASSET MANAGEMENT LIMITED

Company No.1-61047

Board Charter

Table of contents

Document Control

Document Information

Details	Information
Name:	Board Charter
Owner:	Chair
Document Status:	Current
Review cycle required:	Annually from the date of Approval and or when there are legislative amendments.

Document History

Date	Review	By	Identifier	Version
22/05/19	Current	Board		1.0

Document Approval

Action	Signature	Date
Approved	BOD	22/05/19

1. Introduction

Kina Asset Management Limited (**KAML**) and its wholly owned subsidiary Kina Asset Management No.1 Limited (**KAML No.1**) (Company No. 1-61556) have been established under their own unique constitutions. These constitutions establish the duties and responsibilities of directors and vest in them the power and authority to act in the name of the legal entity they govern.

This Board Charter is promulgated under the authority of the KAML Board. The Charter establishes common standards and procedures for the good corporate governance of KAML and its wholly owned entity. It is also intended to provide assurance to financial markets, to consumers of financial services and to regulatory agencies that KAML has in place sound corporate governance practices and a clear set of expectations with respect to performance, compliance, transparency and accountability.

In this Charter, references to "**Company**" are references to KAML and its wholly owned subsidiary, as appropriate and references to "**Board**" are references to the KAML Board and that of its wholly owned subsidiary, as appropriate.

2. Purpose Statement

This Board Charter is intended to guide and inform the directors and management of the Kina Securities Limited Group companies, including Kina Funds Management Limited (**KFM**), the Investment Manager of the Company (**Manager**), who provide outsourced funds administration and investment management (**Services**) for KAML, on the performance of their duties and responsibilities. In this Charter, references to 'Management', 'the Manager', 'senior management team', 'management', 'key management personnel', 'employees' and the 'CEO's direct reports', is to the staff of KFM or other Kina Securities Limited Group entities that provide the Services to KAML.

The Charter provides a concise overview of the roles, functions and powers of the shareholders, the Board, individual directors, officials and executives of the Company. The Charter also highlights powers delegated to various Board committees of the Company, matters reserved for final decision-making or pre-approval by the Board and policies and practices adopted by the Board.

3. KAML's Purpose and Investment Objectives

3.1 Purpose

KAML was established to provide investors in Papua New Guinea (**PNG**) with a way to participate in investment opportunities identified by the Manager. The Company's wholly owned subsidiary KAML No.1 was set-up for the sole purpose of holding the Company's investments.

KAML was incorporated on 9 October 2007, and KAML No.1 was incorporated on 29 November 2007. The Company subsequently listed on the Port Moresby Stock Exchange on 15 July 2008 as Papua New Guinea's pioneer listed investment Company.

3.2 Investment Objective

KAML invests in a portfolio of investments that will generate regular dividends and steady capital growth for its participants.

Over time, KAML aims to:

- provide a positive rate of return to Shareholders via a combination of capital growth and income;
- provide Shareholders with regular dividends; and
- preserve the capital of the Company.

3.3 Investment Strategy

The investment strategy guides KFM in its investment activities towards achieving a positive rate of return for its investment funds.

The strategy addresses issues of:

- asset allocation;
- benchmarking performance standards;
- risk assessments and risk management;
- reporting on investment performance; and
- sector diversification.

4. Role of Shareholders

The role of shareholders is to ensure that fit, proper, competent, experienced and reliable persons are elected to the Board. Shareholder approval is also required for the appointment of the external auditor at General Meeting. The Board will provide shareholders with relevant background material on the matter of director or auditor appointments, together with its recommendations.

Shareholders hold the Board to account for its performance in governing the Company in accordance with the terms of the Company's Constitution. Shareholders require the Board to formulate clear policies for consulting and communicating with them. Shareholders expect these policies to be implemented faithfully so they are kept fully informed on KAML's goals, strategies and achievements.

This Board Charter emphasises the importance of furnishing shareholders with timely, accurate, fair and balanced reports to ensure they are fully informed on the performance of the Company in which their capital is invested. Further and more specific information on informing shareholders can be found in the *Continuous Disclosure and Shareholder Communication Policy*.

5. Role of the Board

As a statement of general principle, boards serve as the link between a company's shareholders (who provide the capital for the business) and a company's executives (who manage the day to day operations of the business). A board is responsible for formulating the strategic direction of the company and for empowering management to implement the strategic direction within defined risk parameters.

The role, functions and powers of the Board, its members and committees are determined by relevant law, including the PNG Companies Act, 1997 (the **Companies Act**) and the Company's Constitution.

A board's first responsibility is to its shareholders - to protect and grow the value of their investment. This Charter establishes that the primary goal of the Board is to add value to the Company by:

- ensuring the long term viability and sustainability of the Company;
- protecting the interests of shareholders by exercising effective control over the Company;
- providing strategic direction and leadership;
- bringing independent and informed judgment to bear on material decisions of the Company;
- setting the standards of behaviour and ethical values for the Company;
- establishing strong internal control and compliance systems;

- monitoring the effectiveness of the Company's overall risk management and control framework; and
- accounting to shareholders for the overall performance of the Company.

5.1 Under the terms of this Charter, the Board will:

- approve the Company's strategy, business plans and policy;
- establish the risk envelope within which management will implement the strategic direction;
- monitor the implementation of strategic plans against pre-determined performance indicators;
- identify key business risks and ensure measures are taken to mitigate those risks;
- ensure that effective internal control systems are in place to safeguard the Company's assets;
- establish and monitor terms of reference and procedures of all Board committees;
- ensure compliance with all relevant laws, regulations and standards;
- approve the external auditor's fees;
- approve and monitor the progress of material capital investment decisions, including new products and services;
- appoint the Chief Executive Officer (**CEO**), set remuneration and establish performance objectives;
- appoint the Company Secretary;
- review the compensation of directors and recommend changes to the non-executive directors fee pool to shareholders;
- ensure succession plans are in place for all key positions in the Company;
- adopt a comprehensive suite of prudential and administrative policies;
- verify independently that the prudential and administrative policies are operating effectively;
- maintain effective and timely communications with shareholders;
- ensure the annual accounts of the Company and other published reports and announcements are prepared according to the relevant standard;
- resolve that the accounts and other published reports and announcements (where relevant) accurately represent the financial position of the Company; and
- approve the annual report including the financial statements, dividend proposals and notices to shareholders for consideration at the Annual General Meeting.

The Companies Act and the Company's Constitution vest in the Board all the powers necessary to direct and supervise the management of the business. This includes the power to delegate some of its powers to others such as a committee of the Board or management. Delegation of a Board power does not relieve the Board of its duties and responsibilities.

5.2 The Board will delegate to the CEO responsibility for the following matters

- selecting the senior management team;
- evaluating the performance of management;
- implementing the strategic direction established by the Board;
- drafting the annual budget in consultation with the Audit and Risk Committee;

- managing day to day operations on time and within budget;
- maintaining effective internal risk controls; and
- managing the daily operations of the business in accordance with social, ethical and environmental policies set by the Board.

Once a matter has been delegated to the Manager, the Board should not involve itself in the day to day detail but focus on monitoring results and outcomes and compliance with policies.

6. Board Composition and Mix

The Board, through the Company's Constitution, has the power to fill casual vacancies on the Board that arise between Annual General Meetings. The Board considers any candidates for director vacancies.

The Board must have a minimum of three members at all times. A minimum of two members of the Board must be non-executive and independent at all times. A majority of directors should be independent and must ordinarily be resident in PNG.

The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of the Company, and to guide and monitor the management of the Company.

A director will be independent where they are independent of the Manager and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment.

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist them in considering the independence of directors. In general, directors will be considered to be 'independent' if they are not members of the Manager (a non-executive director) and they:

- are not material shareholders of the Company, or officers of, or otherwise associated directly or indirectly with, material shareholders of the Company;
- have not within the last three years been employed in an executive capacity by the Company or another Kina Group member;
- were not appointed as a director of the Company within three years of ceasing to be employed in an executive capacity by the Company;
- have not within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- are not and have not within the last three years been a material supplier to or customer of the Company or other group member or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- have no material contractual relationship with the Company or another group member, other than as a director of the Company;
- are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- have not been a director of the Company for such a period that their independence may have been compromised.

The independence of the directors will be regularly reviewed (at least annually) and the status of independent directors will be disclosed, together with the length of service of each director, in the Company's annual report or on the Company's website.

Each non-executive director will inform the Board of any change to their interests, positions, associations or relationships that could affect their independence.

Any change to a director's status as an independent director will be disclosed and explained to the relevant financial markets in a timely manner. Any decision by the Board not to change a director's status as an independent director despite the director having an interest, position, association or relationship of the type described above will be disclosed and explained in the Company's annual report or on the Company's website.

Directors may be appointed to a Board for a maximum term of three years, but are eligible for re-election at the subsequent Annual General Meeting. At least one third of directors shall retire by rotation at each Annual General Meeting and shall be eligible for re-election.

The Board must maintain a pro-active forward-looking approach to Board renewal. It must identify forthcoming retirements 12 months in advance of the expected retirement dates, identify any gaps in the mix of skills, knowledge, experience, expertise and diversity represented on the Board and establish a list of suitable candidates who would complement and strengthen the Board.

On appointment, each new director will receive an induction, prior to their first Board meeting. This may involve meeting with the Chairman, the CEO and other key management personnel and receiving a Director's Manual which comprises information and legal documents necessary to govern the Company.

After their induction, directors are expected to keep themselves updated on:

- changes and trends in the financial sector, the Company and market environment; and
- any changes and trends in the economic, political, social, global, environmental and legal climate generally.

The Board may determine if the most senior executive officer of the Company will be invited to join the Board as “Managing Director”. If the Board so determines, the Managing Director will attend Board meetings as of right and have full voting powers. If the Board determines the most senior executive officer should not be the Managing Director, the senior executive officer will attend meetings of the Board by invitation although it is expected they would normally attend and participate fully in all Board discussions.

7. Director's Fees and Expenses

The remuneration of the Non-Executive Directors shall be approved by the Board subject to ratification by the shareholders at the Annual General Meeting. The shareholders will agree a total budget for Non-Executive Directors remuneration and the Board will determine the allocation of fees.

Non-executive directors are paid a basic meeting fee for attending both Board meetings and Committee meetings. Reasonable expenses are reimbursed only on provision of a receipt.

Executive directors do not receive fees, but are paid in accordance with their employment contracts with the Company.

8. Chairman

The Board will appoint, subject to certain limiting criteria, a Chairman from amongst its members for a renewable term of three years. The Chairman must be a non-executive, independent director who is ordinarily resident in PNG and, for the avoidance of doubt, must not be the same person as the CEO of the Company. The Chairman cannot have been appointed CEO of the company at any time in the preceding three years.

The Chairman must be available to meet with any regulator on request and generally be able to devote sufficient time to the Company to ensure all the Chairman's supervisory responsibilities are fulfilled. The Chairman provides leadership at Board level and is responsible for ensuring the integrity and effectiveness of the Board and its committees.

The Chairman will lead Board meetings to ensure that appropriate discussion takes place, resulting in wise, logical and understandable resolutions.

The Chairman is responsible for:

- maintaining regular dialogue with the CEO on operational matters;
- ensuring that material matters in respect of the business are tabled at Board meetings;
- participating in the nomination of directors to ensure that the Board has the right mix of skills, knowledge, experience, expertise and diversity to diligently discharge its duties and responsibilities;
- being available for the CEO between Board meetings to provide advice and counsel;
- evaluating the performance of the Board, its committees and the individual directors;
- evaluating the performance of the CEO;
- ensuring adequate succession planning for the directors and senior management;
- chairing and conducting meetings of shareholders and the Annual General Meeting; and
- maintaining relations with the shareholders of the Company and ensuring that information is clearly communicated to them through appropriate disclosure.

The Board may appoint a Deputy Chairman to assist the Chairman in the execution of his duties and any other functions the Board may wish to delegate to the Deputy Chairman.

In the absence of the Chairman, the Deputy Chairman shall act as Chairman at meetings of the Board.

9. Chief Executive Officer

The CEO is appointed by the Board. The duration and terms of the CEO's appointment and his/her compensation are determined by the Board. Once appointed, the CEO reports directly to the Chairman.

The CEO provides executive leadership and is accountable to the Board for the implementation of the strategies and decisions of the Board within the framework of delegated authorities, risk appetite, behavioural standards, ethical values and prudential policies of the Company. The CEO is accountable to the Board for the following functions:

- directing and overseeing the effective management of the Company in compliance with applicable laws and regulations, as well as policies and risk parameters established by the Board;
- providing the Board with sound comprehensive advice together with relevant contextual material and background information on organisational objectives, strategic direction, management structure and significant policies;
- assisting the Board in the performance of its oversight role by providing relevant, accurate, and timely information on the status of the Company's operations and its financial position;
- developing and recommending to the Board the annual business plans and budgets that support the Company's long term strategy;
- ensuring that the Company has an effective management team in place that is appropriately trained, remunerated, and incentivised for the roles they perform within the team; and

- ensuring that effective internal controls are in place and that the control and compliance functions are sufficiently well resourced to properly discharge their functions independent from management.

The Board will delegate to the CEO and his/her direct reports sufficient powers and authority to perform these functions. The CEO and his/her direct reports may only exercise such of the Board's power as are specifically delegated to them by resolution of the Board.

The Board will annually agree with the CEO specific objectives and quantifiable financial and operational performance targets. These targets will form part of the CEO's annual performance agreement with the Board.

The CEO serves as the chief spokesperson for the Company.

10. Rights and Duties of Individual Directors

This Charter confers certain rights on directors - including the right to receive accurate and timely information. It also imposes certain duties on directors including the duties to read the information provided, to attend Board meetings, to debate constructively and to respect the views of other directors. Directors have a duty to act honestly and in good faith and to exercise due diligence, care and skill in the course of performing their functions. The Board has approved a Code of Conduct for Directors and all directors are required to observe the Code.

Decisions of the Board are taken collectively and the principle of collective responsibility applies regardless of the way an individual director voted. Individual directors have no authority to exercise any powers of the Board or the Company unless specifically authorised to do so by resolution of the Board.

Directors have a legal obligation to act in the best interests of the Company. To avoid any perception that directors have acted in their own self-interest, KAML has published a *Conflict of Interest Policy*. Directors are required to familiarise themselves with this policy and to comply with its provisions.

Directors have access to the Company Secretary for advice about the governance of the Company and Board procedures in general and may, after consultation with the Chairman, obtain external advice they consider necessary to properly discharge their duties to the Company.

11. Professional Development for Directors

In the interest of good governance, all directors are required to devote a minimum of 20 hours per year to their ongoing professional development. This requirement may be met by attendance at recognised courses, seminars and conferences on governance. KAML maintains a register of directors' professional development. Directors should advise the Company Secretary when they have completed their professional development obligation each year. KAML will meet any travel and accommodation costs associated with professional development for directors from the Board governance budget.

12. Company Secretary

This Charter recognises the important role the Company Secretary plays in supporting the Chairman and the Board. The Company Secretary takes responsibility for the logistics of all Board and Committee meetings and ensures that the Company operates in compliance with regulatory requirements for the disclosure of information about the Company's activities and performance.

The Company Secretary is directly accountable to the Board, through the Chairman, for:

- compliance with corporate reporting rules and regulations and communication to shareholders;

- ensuring that the Board follows proper processes and procedures;
- advising the Chairman and directors on their responsibilities;
- devising induction and training programs for new directors;
- assisting the Chairman to draft the agenda for meetings;
- notifying Board members and shareholders of meetings and distributing Board papers;
- taking minutes and ensuring that a record of the decisions taken at all meetings is kept secure;
- arranging administration and logistical matters for Board meetings;
- aassisting directors to obtain the information needed to discharge their duties; and
- informing the Board of current corporate governance thinking and practice.

The Company Secretary shall be a lawyer, Chartered Accountant, Chartered Secretary or person of similar capabilities.

13. Board Meeting Procedure

The Board shall meet at least quarterly and at such additional ad hoc times as may be required.

Regularly scheduled Board meetings will include the following agenda items:

- updating the Register of Interests;
- declarations of any actual conflicts of interest with items on the agenda;
- reports from management covering investment performance, operations, risk management, health and safety, and strategic opportunities;
- recommendations from management for Board approval;
- reports from management including current financial statements; and
- any special reports (e.g. quarterly financial reports, employment trends and staff review).

The annual work plan of the Board, schedule of Board meetings and calendar of events will be considered and approved by the Board.

Special meetings of the Board may be scheduled to:

- review the Company's strategies for achieving its goals;
- approve the annual report, budget, annual financial statements, reports to shareholders and any public announcements; and
- review Board composition, Board structure, Board succession, Board committees, remuneration policies, director and executive remuneration and the CEO’s performance.

Board members will use their best endeavours to prepare for and attend Board meetings. Board members are expected to participate fully, frankly and constructively in Board discussions and to bring the benefit of their particular knowledge, experience, skills and abilities to bear in discharging their duties as directors.

Board members who are unable to attend Board meetings shall advise the Chairman or Company Secretary as early as possible. Meetings may be held by telephone or video conference, provided that participants can hear each other simultaneously.

A director who fails to attend at least 75% of Board meetings across a period of 12 months in office as director may be requested to step down as a director.

Members of senior management may be invited to attend Board meetings to facilitate communication between management and non-executive Board members.

At least once a year, the non-executive directors shall meet separately to discuss the functioning of the Board and the contribution of the executive director(s) to the governance of the Company.

A director who has an actual conflict of interest with any item on the agenda of a Board meeting must inform the Chairman or the Company Secretary as soon as the director becomes aware of the conflict. The Chairman may, at his sole discretion, require the conflicted director to abstain from discussing and voting on the item of business.

The quorum for a properly constituted Board meeting shall be two thirds of directors of whom the majority must be non-executive and / or independent directors.

The minutes of proceedings of each meeting shall be approved at the following meeting as evidence that the resolutions were adopted.

Decisions taken by written resolution (other than at a meeting) are valid decisions of the Board if signed by all directors. Written resolutions may be executed in counterparts.

The Board has a policy to limit the use of written resolutions to instances where the resolution is a mere formality or where the matter requiring decision by written resolution is of such an urgent nature that it cannot be deferred until the next Board meeting. Written resolutions should be circulated to all directors.

With the assistance of the Company Secretary, the Chairman must ensure that an agenda is prepared prior to the meeting and that all relevant issues requiring attention are raised. The Agenda and papers must be distributed to directors at least seven days before the relevant Board meeting.

The Board shall regularly consider whether the format and content of standard Board reports and submissions are appropriate and make such changes to Board reports or submissions as considered necessary to improve the Board's efficiency.

14. Board Committees and relationship with the Board

The Board has the power to delegate its powers to a committee of the Board. Committees should be formed only when it is efficient or necessary to facilitate effective decision-making, when required by legislation, or when particular projects require specific expertise and in-depth analysis.

The Board must agree a Charter or Terms of Reference for each Committee it establishes.

The Board shall ensure the Chairman and members of the Committee have the necessary skills and knowledge to perform the functions delegated to the Committee.

Boards must not delegate the power of decision making to Committees. Committees have an advisory or recommendatory role only and the final decision is reserved to the full Board.

The Board recognises and accepts that the ultimate accountability for matters delegated by it remains with the Board. Powers and functions delegated by the Board to a committee entail a simultaneous requirement of reporting to the Board and an obligation on the Board to monitor and evaluate the activities of committees and individuals with delegated authority.

Committees must, unless the Board determines otherwise:

- observe the same rules of conduct and procedure as the Board;
- only speak or act for the Board when authorised;

- ensure that authority delegated to a committee will not conflict with the authority delegated to management; and
- distribute Committee approved minutes, to all members of the Board.

Management are invited to attend Committee meetings only as required by the Board members to inform debate.

This Charter recognises the following committee:

- Audit and Risk Committee.

The Charters the Audit and Risk Committee has been approved separately by the Board. The composition of the Audit and Risk Committee must be reviewed annually to ensure the balance of specialist skills, independence and experience.

The Board may co-opt specialists as permanent invitees of Committee meetings. Such specialists should not outnumber Committee members and must not disclose confidential information.

The Audit and Risk Committee shall submit to the Board the minutes of proceedings of their meetings.

15. Conflicts of Interest

The Board shall maintain a Register of Interests which is updated at every Board meeting. Members of the Board are expected to act ethically at all times and to manage any possibility of conflict of interest transparently.

Directors are obliged to promptly disclose if they have any interest, position, association or relationship of the type described in paragraph 0.

When conflicts or potential conflicts arise, directors will declare these at the meeting or as soon as the director is aware it has arisen,, the conflict or potential conflict shall be recorded in the minutes of proceedings of the meeting and, if determined appropriate by the Chairman, the director shall abstain from discussion and voting, or the Chairman may request the director to exit the meeting for the discussion on the item concerned.

Enduring material conflicts of interest are incompatible with the fiduciary duties of directors. Directors are appointed on the understanding that they may be removed by the Board if and when they develop a material actual or prospective enduring conflict of interest with the Company.

Failure to disclose a material conflict of interest constitutes a criminal offence under the Companies Act.

Management of conflicts of interest is a critical issue for trust and confidence in the conduct of a company's affairs. The Board explicitly recognises this and a stand-alone policy has been promulgated to address the issue. Directors are required to familiarise themselves with the policy and to comply with it at all times.

16. Other Board Appointments

Directors are at liberty to accept other board appointments as long as the appointment is not in conflict with the Company, sector regulations, nor detrimentally affects the director's performance and time availability.

It is Board policy that the Company's directors should not hold more than six other corporate/company Board appointments.

A director may not hold more than two Board appointments to authorised financial institutions.

17. Board Performance Evaluation

The Board will undergo an assessment and evaluation of its collective performance each year. The evaluation include:

- the Board’s performance in achieving strategic goals, processes and procedures;
- the performance of the Committees, individual Board members, the Chairman and the CEO;
- the effectiveness of the Company’s strategic direction;
- responsiveness to problems and crises;
- access to and review of information from management and quality of such information;
- performance against the Board Charter and maintenance and implementation of corporate governance practices and principles; and
- Company and Board compliance with regulatory requirements.

The directors complete an evaluation assessment each financial year to assess the collective effectiveness of the Audit and Risk Committee and the Board. In addition, the Chairman will individually appraise the directors, and the Deputy Chairman, or if none is appointed a Committee Chairman will appraise the Chairman. Directors whose performance is judged to be unsatisfactory may be asked to retire.

The Board will disclose each year in the Company's annual report or on the Company's website whether a performance evaluation of the Board, its committees and its directors was undertaken in accordance with the above process.

18. Corporate Governance Guidelines

It is the policy of the Company to comply with the Principles and Recommendations issued by the ASX Corporate Governance Council, except to the extent specifically agreed to by the Board in addition to other best practice guidelines. The Board will review and update the Company’s corporate governance practices frequently in line with changes within the Company, and in national and international developments in respect of corporate governance.

19. Ethical Standards

The Board has established a Code of Conduct for Directors and a Code of Corporate Conduct (**Codes**). These codes are intended to set the “ethical” tone of the Company from the top down. All directors and members of senior management must familiarise themselves with the relevant Code(s). Failure to observe the terms of the Codes may lead to termination of a director’s appointment or an employee’s contract of employment.

The Board expects any breach of the standards of behaviour specified in the Codes and standards will be promptly investigated and disciplinary action commensurate with the gravity of the offence instigated.

Directors or employees who are concerned that unethical conduct is occurring in KAML may make a “Protected Disclosure” statement to an officer specified in the *Protected Disclosure (Whistle-blower) Policy*. The officer will investigate the concern in a manner that affords protection from reprisal to the whistle blower.

20. A Good Employer

Board policy and practice encompasses fair and equitable treatment of all employees with regard to demographics, gender, disability, health and professional development.

The directors and the CEO must not permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unhealthy, unfair or unsafe.

Health and safety within the office and accident prevention policies must be regularly reviewed by the Board.

21. Indemnities and Insurance

The Company will pay the premiums for directors' and officers' liability to cover Board members, while acting in their capacities as members, to the fullest extent permitted by the relevant legislation.

22. Provision of Professional Services by Board Members

The Board is discouraged from engaging members of the Board to provide business or professional services of an ongoing nature to the Company.

Under special circumstances, the Board may engage the services of:

- a director who has special or unique expertise; or
- an employee of a director's company who has special or unique expertise.

The terms of engagement must be competitive and clearly recorded with all regulatory and legal requirements for disclosure observed.

23. Independent Professional Advice

Any director is entitled to obtain independent professional advice. If a director considers such advice necessary, the director shall first discuss it with the Chairman.

Subject to prior approval of the Chairman, the cost of advice will be reimbursed by the Company, so far as is practical and reasonable. The information will be shared with all Board members.

24. Risk Management

The Company has in place a policy framework that promotes effective identification, monitoring and management of all material business risks. The Board requires management to implement rigorous processes for risk management and internal control. Periodically the Board will review and approve risk exposure limits to conform to changes in strategies, products and market conditions.

25. Board - Regulator Relationship

The Board shall maintain an open professional relationship with its industry sector regulator/supervisor. Board members shall keep themselves abreast with the regulatory environment within which the Company operates. Compliance at all times is critical.