

# **BOARD CHARTER OF UNITED OVERSEAS AUSTRALIA LIMITED**

## **1. INTRODUCTION**

This Board Charter (“Board Charter”) is adopted by the Board of Directors (“Board”) of United Overseas Australia Limited., (“UOA or “the Company”).

The Board is governed by the authority given pursuant to the constitution of the Company.

The Board is accountable to shareholders of UOA for the corporate governance and performance of UOA and its subsidiaries (“UOA Group”) and UOA fulfils this accountability by its commitment to achieve high standards of business integrity, ethics and professionalism across the UOA Group’s activities. This in turn will maximize and safeguard Shareholders’ value and interests.

## **2. PURPOSE**

The Board Charter sets out the roles and responsibilities of the Board and the Board Committees, the composition of the Board, processes and procedures for convening Board Meetings. As part of the corporate governance framework of the Company, the Board Charter is designed to achieve the following objectives:

- To clarify the roles and responsibilities of the members of the Board to facilitate the Board’s accountability to the Company and its Shareholders;
- To provide guidance to the Board to enhance coordination and communication between the Board and Senior Management, providing effective oversight of Senior Management for the benefit of the Company and its Shareholders; and
- To assist the Board in the assessment of its own performance and of its individual Directors.

## **3. BOARD COMPOSITION AND BALANCE**

### **(a) Size and Composition**

The Board consists of qualified individuals with different backgrounds and specializations, collectively bringing considerable knowledge, judgment and experience to the Board to enable the Board to discharge their duties and responsibilities effectively.

The size of the Board is such that it facilitates the decision making of the Company effectively. The constitution of the Company (“Constitution”) provides that the number of Directors shall not be less than 3 and not more than 9.

The Board will review boardroom diversity and board composition and size on an annual basis and from time to time to ensure its appropriateness.

### **(b) Board Tenure**

The Constitution provides that all newly appointed Directors shall retire and be eligible for re-election by the Shareholders at the next following annual general meeting of the Company.

The Constitution also provides that 1/3 of the Board or if the number of the Directors is not 3 or a multiple of 3, then the number nearest 1/3 shall retire from office and shall be eligible for re-election provided that all Directors shall retire from office, once at least in every 3 years.

#### **4. INDEPENDENCE OF DIRECTORS**

An Independent Director is independent of management and free of any business relationship that could materially affect the exercise of his independent judgement.

The Board undertakes to assess the independence of its Independent Directors upon appointment, annually and when any interests or business relationship arises.

The Independent Directors have the right to seek the advice of the Company Secretary, the Auditors, the Internal Auditors and other independent professional advice at the Company's expense if so required. When seeking to obtain advice that incurs a cost to the Company, the Independent Director should notify the Company of their requirement and advise the Company of the person(s) from which the advice would be sought together with an estimate of costs.

#### **5. DIRECTORSHIPS AND TIME COMMITMENT**

Directors will notify the Company Secretary upon their appointment of directorship in other companies and any significant commitments outside the Company.

The Directors should be committed in allocating sufficient time to the Company in order for the Board to function effectively.

#### **6. DIRECTORS' TRAINING**

All Directors shall continue to update their knowledge and enhance their skills by attending trainings and seminars relevant to them to enable to effectively discharge their duties. The Board will assess the training needs of the Directors from time to time and ensure appropriate update of skills and knowledge are in place.

#### **7. ROLES OF THE BOARD**

##### **(a) Duties and Responsibilities**

The Board oversees the business and affairs of the Company and has the following main duties and responsibilities:

- (a) setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- (b) ensuring that there are adequate resources available to meet the Company's objectives;
- (c) appointing the Chief Executive Officer and evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate

- policies and procedures are in place for recruitment, training, remuneration and succession planning;
- (d) ensuring that it receives the information relevant to effectively monitor and make informed decisions in relation to the Company's strategic and operational goals, including challenging management and holding management to account whenever required;
  - (e) evaluating the performance of the Board and its Directors on an annual basis;
  - (f) determining remuneration levels of Directors;
  - (g) approving and monitoring financial reporting and capital management;
  - (h) approving and monitoring the progress of business objectives;
  - (i) ensuring that remuneration policies are aligned with the Company's values, strategic plans and risk appetite;
  - (j) ensuring that any necessary statutory licenses are held and compliance measures are maintained to ensure compliance with the law and license(s);
  - (k) ensuring that adequate risk management procedures exist and are being used;
  - (l) ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
  - (m) approving the Company's statement of values and code of conduct to underpin the culture desired by the Board for the Company;
  - (n) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company; and
  - (o) ensuring procedures are in place for ensuring the Company's compliance with the law, and financial and audit responsibilities, including the appointment of an external auditor and reviewing the Board's financial statements, accounting policies, management processes and effectiveness of corporate governance practices.

**(b) Roles of the Chairman and the Executive Directors**

The Chairman is responsible for leading the Board at Board Meetings and to ensure efficient functioning of the Board. The following are key roles of the Chairman:

- Ensure that the Board functions effectively and is well informed of the Company's activities and Management's recommendation.
- Presides, lead the Board at Board meetings and general meetings and direct discussions.
- Assist the Board in its corporate governance policies and compliance with regulatory laws.
- Ensure effective communication between the Board and Management, its shareholders and stakeholders.
- Ensure the Company's Annual General Meetings ("AGM") are conducted with responsibility and accountability, supplying relevant information to shareholders and encouraging participation of shareholders. The External Auditor is invited to the AGM and is available to answer shareholders' questions on the conduct of the audit of the Company's financial statements.

The Executive Directors are responsible to the Board for the daily management and corporate activities of the Company, having the following key roles:

- Implementing the strategic objectives as set by the board;
- Ensure that policies and systems are in place for the Company's operations to be conducted properly and efficiently;
- Ensure effective communication with Senior Management to achieve the Company's goals and objectives;
- Monitors performance results against plans;
- Takes remedial actions where necessary;
- Ensures the Financial Reporting of the Company represents a clear and balanced assessment of the Company's financial position in its quarterly financial announcements and the year-end financial statements;
- Ensures timely release of announcements on financial results and material contracts or information that may affect investors' decision making, and
- Ensures Management conducts regular dialogues with analysts to convey information on Company's performance and other matters affecting shareholders' interests.

**(c) Disclosure of Interests**

Directors have a duty of confidentiality in relation to the Company's confidential information and are required to act in the best interest of the Company. A Director should immediately disclose to the Board should a conflict of interest arises or if the Director has a personal interest in the matters at hand.

**8. COMPANY SECRETARY**

The Board appoints the Company Secretary who plays an important advisory role to the Board, assisting it in regulatory compliance matters.

The Company Secretary is the central source of information and advice to the Board and Board Committees on issues relating to compliance with rules and regulations, procedures of statutory compliance and corporate governance.

**9. CODE OF CONDUCT**

The Directors and employees of the Company ("Employees") and its group of companies ("Group") are expected to behave ethically and professionally at all times. The Company communicates this Code of Conduct to all Directors and Employees

**10. REVIEW OF BOARD CHARTER**

The Board will review its Charter from time to time and make amendments if necessary to ensure they remain consistent with the Board's objectives and current laws and regulations.