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# **CHARTER OF THE BOARD**

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NOVEMBER 13, 2019

**COPPERTECH INDUSTRIES LIMITED**

## 1. INTRODUCTION:

The Board of Directors (the "Board") of Coppertech Industries Limited (the "Company" or "Coppertech") is the supreme authority in matters of governance and in managing the business of the Company. Within their authority under the Companies Act and other applicable laws and the Articles of Association the Company, the Directors, acting as a Board, have the fullest powers to regulate the concerns of the Company according to their best judgment.

The Board is responsible to promote and adhere to the principles and best practices of corporate governance, to foster the long-term success of the Company and to secure its sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility.

The Board shall exercise its powers and duties in the best interest of the Company, its shareholders and other stakeholders.

The purpose of the Board Charter is to outline the principal role of the Board of Directors, the demarcation of the roles, functions, responsibilities and powers of the Board, various Board Committees of the Company and matters reserved for final decision-making or pre-approval by the Board; and the policies and practices of the Board in respect of matters such as conflicts of interest and convening of Board meetings.

This Charter further defines the specific responsibilities of the Board of Directors, in order to enhance coordination and communication between the Managing Director and the Board and more specifically, to clarify both Board and Management accountability for the benefit of the Company and its shareholders.

This charter is subject to the provisions of the Company's articles of association and to applicable laws. This charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles and applicable laws. Directors are elected annually by the shareholders of the Company and together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Board.

Three handwritten signatures in black ink are located at the bottom of the page. The first signature on the left is a cursive scribble. The middle signature is a large, stylized 'A' with a horizontal line through it. The signature on the right is a vertical, stylized signature that appears to read 'Zhang'.

## 2. BOARD'S ROLE, AUTHORITY AND COMPOSITION

### **Role of the Board:**

The role of the board has two fundamental elements:

**Decision-making:** The decision-making function is exercised with respect to the formulation with management of fundamental policies and strategic goals and through the approval of certain significant actions;

**Oversight:** The oversight function concerns the review of management decisions, the adequacy of systems and controls and the implementation of policies.

The Board of Directors establishes formal delegations of authority, defining the limits of management's power and authority and delegating to management certain powers to manage the business. The delegations of authority conform to statutory limitations specifying responsibilities of the board that cannot be delegated to management. Any responsibilities not delegated to management remain with the Board of Directors and its committees.

The Board ensures the adequacy of financial and operational systems and internal control, as well as the implementation of corporate ethics and the code of conduct. The Board reserves a formal schedule of matters for its decision to ensure that the direction, management and control of the Company rests with the Board. This includes strategic issues and planning, performance reviews, material acquisition and disposal of assets, capital expenditure, authority levels, appointment of auditors and review of the financial statements, financing and borrowing activities including annual operating plan and budget, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

All policies pertaining to Company's operation and functioning are to be approved by the Board. The Board must ensure equitable treatment to the minority shareholders.

### **Authority:**

The Board of Directors is the ultimate decision making body of the Company except for matters reserved for the shareholders. Consistent with the Board's power to delegate to the Management the day-to-day operation of the Company's business, the Board shall exercise judgment in establishing and revising the delegation of authority for Board Committees and Management. The



issues of major capital expenditure, divestitures, mergers and acquisitions, certain strategic investments would be within Board's authority.

The recommendations of the Committees will be referred to the Board. In the event that the Board is unable to approve a decision of the Committee, the matter will be referred back to the Committee for further consideration.

The Board has full authority to seek any information it requires from the Management or any employee of the company. The Board reports to and is accountable to the shareholders of the Company.

### **Board Composition and Skills:**

The Board composition will be guided by the Company's Memorandum of Association and Articles of Association and shall presently comprise of maximum 20 members or as per the guidelines of Bangladesh Securities and Exchange Commission including required number of Independent Directors.

The Board of the Company recognizes the need for composition of the Board to reflect fair mix of independence, skills and expertise; and facilitate objectivity in decision making. High levels of professional skills and appropriate personal qualities are pre-requisite for directorships.

Fresh appointment of the members for the Board shall be considered by the Board for onward recommendation to the shareholders for appointment, at their next general meeting, in accordance with the qualifications acceptable by the Board taking into consideration the overall composition and diversity of the Board and areas of expertise that new Board members might be able to offer.

The Board shall consist of non-executive directors. The Board will have at least 1/5th number of "Independent" Directors in keeping with regulatory requirements.

There will be separation and clear division in the roles and responsibilities of the Chairman and the Managing Director. The Chairman of the Board shall be a "Non-Executive" Director.

### **Rotation**

All Directors appointed by way of casual vacancy are required by the Company's Constitution to be elected by the shareholders at the first annual meeting after their appointment. At least one third of all Directors except Independent Directors, or, if their number is not a multiple of three, then



the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. In each year the Directors who retire are those who have been longest in office since their last election. There is no maximum term for which a person can remain a Director. The Managing Director is the only executive Director. The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.

### **Induction**

The Board seeks to ensure that new Directors are appropriately introduced to management and the business, that all Directors are acquainted with relevant industry knowledge and that Directors receive a copy of this Charter, the Charters of all Committees, recent Board and Committee papers, recent Board minutes and relevant Company policies.

### **Relationship between the Chairperson and the Managing Director**

The Board supports the concept of the separation of the role of Chairperson from that of the Managing Director. The Chairperson's role is to manage the Board effectively, to provide leadership to the Board, and to interface with the Company's Managing Director.

### **Remuneration of Directors**

The Directors' remuneration is paid in the form of Directors' fees. The Board may determine that additional allowances be paid to a Director, as appropriate, to reflect additional services provided to the Company by that Director. The total fees available to be paid to Directors are subject to shareholders' approval.

## **3. BOARD'S RESPONSIBILITY**

The Board of Directors is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions. The Board is responsible for ensuring that the strategies adopted promote the sustainability of the company.

### **Principal responsibilities of the Board**

Strategic planning process

- Determine the yearly goals of the Company and to draw up strategic plan and technique



- Supervising the formulation of the strategic direction, plans and priorities of the company and approving the strategic plan
- Monitor quarterly implementation and effectiveness of the approved strategic plan and technique and make necessary changes, if any, after discussion with management
- Review & analyze the status of success/failure of the implemented strategic plans & techniques and include a comparative report on it in the Annual Report
- Inform the shareholders about the strategic plans & techniques shall be adopted in future
- Reviewing and approving the organizational structure
- Reviewing and approving the corporate financial objectives and operating plans and actions of the company, including capital allocations, expenditures and transactions set by the board
- Approving major business decisions
- Review the Company's business plans and the inherent level of risk in these plans
- Assess the adequacy of capital to support the business risks of the Company

#### Identification and management of risks

- Ensuring that processes are in place to identify the principal risks of the business
- Reviewing the systems that are implemented by management to manage those risks
- Overseeing and approving the Risk Appetite Framework
- Reviewing the processes that ensure compliance with applicable regulatory, corporate, securities and other legal requirements
- Assess the adequacy of the systems of risk management, internal control, control environment and legal compliance

#### Succession planning and evaluation of management performance

- Supervising the succession planning processes of the company, including the selection, appointment and development of the Chief Executive Officer/MD and the senior management team
- Evaluating and recommending compensation of the MD/Chief Executive Officer and the senior management team in a manner that is consistent with appropriate prudential incentives
- Approve performance objectives and performance measurement systems
- Review the performance of Board, Board Committees and Executive Management





#### Financial Performance

- Approve the annual budget and targets, quarterly and annual financials, management discussion and analysis and interim results and monitor financial performance
- Ensure financial results are reported fairly and in accordance with IFRS
- Recommend to shareholders the Directors Report / financial statements and ensure that any reports issued by the company, including the financial statements, present a 'true and fair' view of its position and performance
- Recommend to shareholders on appropriation of profit, payment of dividend, allocation to reserve account/retained earnings and remuneration to Directors
- Approve and monitor the progress of material financial restructurings, including mergers, acquisitions, divestitures and acquisitions, annual budgets, dividends etc. affecting the balance sheet
- Approve entering into, or withdrawing from, businesses or service lines
- Approve policy for purchase and collection proposed by Management
- Approve the delegation of responsibilities and authorities to Board Committees and to Managing Director and Executive Management;
- Approve purchase/construction of land, building and vehicle
- Approve authority for bank account operation

#### Risk Management

- Approve and review the risk management guideline
- Ensure principal risks are identified and Management has implemented appropriate systems to manage these risks
- Ensure that the systems and controls framework, including the Board structure and organizational structure of the Company is appropriate for the Company's business and associated risks
- Review the processes that ensure compliance with applicable regulatory, corporate, securities and other legal requirements

#### Internal Control

- Assess the adequacy of the systems of risk management, internal control, control environment and legal compliance
- Reviewing the effectiveness of the company's internal controls and the company's management information systems



#### Human Resource Management

- Approve service rules of the Company and any amendment thereof
- Ensure independence of the administrative system regarding recruitment, promotion, transfer and disciplinary action are governed under the service rules
- Ensure that succession programs and plans are in place

#### Governance

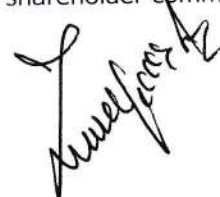
- Approve the Company's corporate governance framework and ensure it conforms to best practices and regulatory and statutory requirements
- Approve the organizational/management structure and responsibilities
- Appointing from its membership a non-executive Chairman of the Board
- Provide effective oversight over Management's activities
- Establish appropriate structures and procedures to allow the board to function independently
- Establish the Company's values
- To the extent feasible, satisfying itself that the Managing Director and other senior officers create a culture of integrity throughout the organization
- Establish board committees and defining their mandates to assist the board in carrying out its roles and responsibilities
- Undertake regular evaluation of the board, its committees and its members, and reviewing its composition with a view to the effectiveness and independence of the board and its members
- Review the code of conduct and business ethics at least annually
- Review the charter of the Board and its Committees for necessary modification

#### Compliance

- Ensure the Company operates at all times within applicable laws and regulations, including an effective Code of Conduct and business ethics policies
- Ensure that the Company's policies and procedures manuals comply with all government and regulatory requirements covering all operations

#### Communications

- The Board should ensure that there is an agreed communications strategy and procedure including agreement about appropriate channels and spokespersons
- Develop and implement an investor relations program or shareholder communications process for the Company





- Oversight of communications and public disclosure
- Assessing the effectiveness of the company's communications, including measures for receiving feedback from stakeholders
- Overseeing establishment of processes for accurate, timely and full public disclosure, including the company's disclosure policy

#### Delegation of Authority

- Approve the delegation of responsibilities and authorities to Board Committees and to Executive Management; and reserve certain powers for the Board

#### External Auditors

- Recommend the appointment of the external auditors (and the remuneration payable); to the shareholders and seek their no objection

#### Listing Requirements

- Oversee the ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading;

#### Reporting to Shareholders

Report annually to the Shareholders on the Board's stewardship for the preceding year. The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:-

- An industry outlook and possible future developments in the industry;
- The segment-wise or product-wise performance;
- Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;
- A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin
- A discussion on continuity of any extraordinary activities and their implications (gain or loss);
- A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;





- A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;
- An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Rights Share Offer etc.;
- An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;
- A statement of remuneration paid to the directors including independent directors;
- A statement that the financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- A statement that proper books of account of the company have been maintained;
- A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- A statement that the system of internal control is sound in design and has been effectively implemented and monitored;
- A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- A statement that there is no significant doubt upon the company's ability to continue as a going concern
- An explanation that significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof shall be explained;
- A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;
- An explanation on the reasons if the company has not declared dividend (cash or stock) for the year;
- Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;
- The total number of Board meetings held during the year and attendance by each director;





- A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:
  - (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);
  - (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);
  - (c) Executives; and
  - (d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);
- In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: (a) a brief resume of the director; (b) nature of his or her expertise in specific functional areas; and (c) names of companies in which the person also holds the directorship and the membership of committees of the Board;
- A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:
  - (a) accounting policies and estimation for preparation of financial statements;
  - (b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;
  - (c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;
  - (d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
  - (e) briefly explain the financial and economic scenario of the country and the globe;
  - (f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
  - (g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;
- Declaration or certification by the CEO and the CFO to the Board regarding financial statements
- Certificate regarding compliance of Corporate governance Code





### **Specific responsibilities of the Board set by articles of association**

The Directors of the company shall be the policy making body with responsibility for achieving the objectives for which the company has been established and shall have the power to delegate authority to any one for implementing the policy and for ensuring the best use of resources of the company by achieving optimum efficiency against budgeted expenditure and commercial potentialities of the highest level. Without prejudice to the general power conferred by these presents, it is hereby expressly declared that directors shall have the following powers, that is to say:

- To pay costs, charges and expenses preliminary and incidental to the promotion formation establishment and registration of the company.
- To pay and charge to the capital account of the company any interest lawfully payable thereabout under the provisions of the Act.
- To purchase or otherwise acquire for the company any property, right or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit and subject to the provisions of Section 106 of the Act. to sell, let exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.
- At their descriptions to pay for any property or rights acquired by or services rendered to the company either wholly or particularly in cash or in shares bonds debentures debenture stock or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, debenture stock, preference shares or other securities may be either specifically charged upon or any part of the property of the company and its uncalled capital or not so charged.
- To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the building, machinery goods, stores, products and other movable and immovable property of the Company either separately or jointly; also to insure al or any portion of the machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- To open account with any bank or bankers or with any Company, firm or individual and to pay, money into and draw money from any such account from time to time as



the Directors may think fit. The persons who will operate the account will be decided by the Board of Directors in its meetings from time to time.

- To secure the fulfillment or any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company such conditions as to the transfer thereof as they think fit.
- To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof.
- To appoint any person (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite of such trust provide for the remuneration of such trustee or trustees.
- To institute, conduct, defend compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company and also to company or its officers otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction or any debts due or of any claims demands by or against the Company.
- To refer any claim or demand by against the company to arbitration and observe and perform the awards.
- To acts on behalf of the company in all matters relating to bankrupts, and insolvent.
- To make and give receipts releases and other discharges for money payable to the company and for the claims and demands of the company.
- To determine from time to time who shall be entitled to sign on the company's behalf bill, promissory note, acceptance, endorsements, cheques, dividend warrants, release, contracts and documents.
- To invest and deal with any of the money of the company not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit from time to time vary or release such investments.
- To execute in the name and on behalf of the company in favor of any director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.



- To give to any Director, Officer or the person employed by the Company in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company.
- To provide for welfare of employees or ex-employees of the Company and the Wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses dwellings or chaws or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident or other associations funds or trusts and by providing or subscribing or contributing towards places of instructions and recreations mosques, schools, colleges, universities, hospitals, dispensaries, medical and other attendance and other assistance as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason or locality of operations or of public and general utility or otherwise.
- To reserve a sum not exceeding ten percent of the net profit in a particular year for charitable and other purposes to be spent at their discretion.
- Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for Depreciation or Depreciation Fund, Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay redeemable preference shares of any special fund to meet contingencies or to repay redeemable preference shares, debenture stock or for special dividends or for equalizing, improving, extending and maintaining any part of the property of the Company And the for such other purposes (including the purposes referred to in the preceding clause) as the Directors may in their absolute discretion think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as the required to be invested upon such investment as the Directors may think the fit and from time to time to deal with and vary such investments dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital money of the Company might rightly be applied for or expended and to divide the Reserve Fund into such special funds as the Directors may think fit and



to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment or redeemable preference shares, debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same; with power, however to the Directors at their discretion to pay or allow to the credit or such fund interest at such rate as the Directors may think proper, not exceeding nine percent per annum.

- To appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in Bangladesh in such manner s they think fit and the provisions contained in sub-clauses 24 and 25 following shall be without prejudice to the general powers conferred by this sub-clause.
- To comply with the requirements of any local law which in their opinion it shall in the interest of the Company is necessary or expedient to comply with.
- From time to time and at any time establish any local board for managing any of the affairs of the Company in any specified locality in Bangladesh or elsewhere and to appoint any persons to be members of any local boards and to fix their remuneration. And from time to time and at any time to delegate to any persons so appointed any of the powers authorities and discretion's for the time being vested in the Directors others than their power to make calls and to authorize the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and subjects to such conditions as the Directors may think fit and the Directors may at any time remove any person appointed and may annul or vary any such delegation.
- At any time and from time to time by power of attorney to appoint and person or persons to be the attorney or attorneys to the Company for such purposes and with such authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may (in the Directors think fit) be made in favor of the members or any of the members of any local board established as aforesaid or in favor of any company or the members, directors, nominees or managers or any company or otherwise in favor of any



fluctuating body or persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Directors may think fit and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and directions for the time being vested in them.

- To enter into all such negotiations and contracts and rescind any very all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- To make, draw, endorse, sing, accept, negotiate and give all cheques, bills of lading, drafts, orders, and bills of exchange, Government of Bangladesh and other Promissory Notes and other negotiable interments required in the business of the Company.
- To delegate, entrust to and confer from time to time upon the manager or managers or attorney or attorneys for the time being such of the powers exercisable by the Directors as they my think fit and confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **4. RESPONSIBILITY OF THE CHAIRMAN AND MANAGING DIRECTOR:**

##### **Principal Responsibilities of the Chairman:**

The Chairman is responsible for the overall leadership and efficient functioning of the Board of Directors. The Chairman of the Board shall have the following duties:

- Maintain a role in recommending the skills and experience that the Board should contain and exhibit , for its effective operation;
- Encourage active engagement and participation by all members of the Board;
- Ensure that new Directors participate in a full, formal and tailored induction program;
- Identify the development needs of the Board as a whole to enhance its overall effectiveness as a team;
- Promote the highest standards of corporate governance;
- Ensure the long-term sustainability of the Company ;





- Ensure the continual improvement in quality and caliber of the Executive Management;
- Establish a close relationship of trust with the Managing Director and the Executive Management, provide support and advice while respecting their executive responsibility;
- Meet regularly with the Managing Director to discuss issues of importance and to ensure the effective alignment of goals of Executive Management with that of the Board;
- Provide coherent leadership to the Company including, in conjunction with the Managing Director, representing CTIL with customers, suppliers, governments, financial institutions, the media, the community and the public;
- Set the Board's agenda;
- Preside over the board and general meetings and sign minutes
- Exercise casting vote in case of equality of votes
- Ensure that Directors receive accurate, timely and clear information to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of CTIL;
- Ensure clear structure for the effective running of the Board Committees

**Principal Responsibilities of the Managing Director:**

The Managing Director is responsible for the day-to-day management, operations and administration of the Company. The Managing Director shall have the following duties:

- Implement, manage and administer corporate business strategy with the aim of executing the business plans and budgets of the Company;
- Manage the overall human resources and skills/competencies pool to ensure the effective and efficient running of the Company;
- Represent CTIL with customers, suppliers, governments, financial institutions, the media, the community and the public;
- Formulate and recommend strategic objectives and plan of action for continuously enhancing shareholders' value to Board of Directors;
- Ensure adherence to policies and procedures, applicable regulations and laws, and monitoring exceptions and serious deviations,;
- Manage the Assets and Liabilities of the Company in accordance to Board policy and regulatory requirements;
- Manage the risk portfolio of the Company.





## 5. ELECTION OF DIRECTORS, BOARD MEETINGS, RIGHTS OF DIRECTORS:

### Election:

- Directors will be elected/appointed by the shareholders at the Annual General Meeting.
- Each proposal by the Board to the shareholders for election or re-election of a Director shall be accompanied by a recommendation from the Board, with the following specific information:
  - a. The term to be served
  - b. Biographical details and professional qualifications
  - c. In the case of an Independent Director, a statement that the Board has determined that the criteria of independent Director have been met
  - d. Any other directorships held
  - e. Particulars of other positions which involve significant time commitments
  - f. Details of relationship between the candidate and the Company or other Directors of the Company.

### Board Membership and Tenure:

Pursuant to the Company's Memorandum of Association and Articles of Association, one third of Directors must retire by rotation in every year but shall be eligible for re-election; Independent Director shall be appointed for a 3 years term and can be re-appointed for one term only.

### Filling of Vacancies on the Board of Directors:

If the office of one of the Board members becomes vacant, he shall be replaced by the Board. The new member shall complete the unexpired term of his predecessor.

### Board Attendance:

- All Board members are expected to attend majority of all Board meetings within a calendar year.
- Board membership may be terminated if Board members are unable to attend three consecutive Board meetings (without lawful excuse notified in writing to the Board).
- The absence of Board members at Board and committee meetings shall be noted in the minutes.
- Voting and attendance proxies by Directors for Board and committee meetings are prohibited at all times.



### **Appointment of Company/Board Secretary:**

The appointment and removal of the Company/Board Secretary is subject to the approval of the Board. The Board recognizes the fact that the Company/Board Secretary should be suitably qualified and capable of carrying out the duties required for the post.

### **Meetings and Quorum:**

- Board meetings will be conducted at least on a quarterly basis (minimum four) and Board Committees will meet as often as required.
- The Company/Board Secretary shall prepare and distribute a timetable for the meetings.
- If permitted by the law, meetings may also be held through video/tele-conferencing facility.
- At least 2/3 Directors (including the Chairman and/or Deputy Chairman) are required to attend the Board meetings in person in order to ensure a quorum.
- The Chairman will chair all sessions of the Board. In absence of the Chairman at a meeting, Deputy Chairman will chair the meeting.
- The Chief Financial Officer, Company Secretary and Head of Internal Audit and Control will be a permanent invitee in all Board meetings.
- The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

### **Voting Rights:**

- A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.
- Any attendee who is not a member of the Board shall not vote on any matter coming before the Board for a vote.
- All decisions of the Board will be based on a simple majority of the members present at the meeting in person. In the event of a tie, the Chairman or in his absence, the Deputy Chairman of the Board will have a casting vote.
- The Board may adopt resolutions by circulations/correspondence, including mail, electronic or fax correspondence, provided that in order for resolutions taken in this manner to be valid, they shall be approved by all the members. Any member to whom a proposed resolution is sent and who fails to respond within three working days



following the date on which the proposed resolution is sent to him shall be considered to have approved the resolution.

**Meetings and agenda:**

- The Board of Directors shall meet at the summons of its Chairman or his Deputy, if any or if requested to do so by a Director. A meeting of the Board of Directors shall be valid if attended by not less than 2/3 Directors in person.
- The notice of a Board meeting should be given in advance of the meeting. The Chairman, Managing Director and Company/Board Secretary shall undertake the primary responsibility of preparing the Board's agenda. The agenda should include matters specifically reserved for the Board's decision.
- Save in urgent cases, as a matter of best practice and to allow sufficient time for Directors to consider the information, the Company/Board Secretary shall provide the members with an agenda and any necessary documentation as early as possible and in general, at least two days before a meeting takes place. Where there is a need to table a report, a brief précis of findings and/or recommendations should be presented.
- A record of Board submissions and papers, and of materials presented to the Board, shall be maintained and held by the Company/Board Secretary together with minutes of meetings. All such records are accessible to members.
- Directors shall have complete access to the Company's Executive Management through the Managing Director or through the Company/Board Secretary as per arrangement consented by the Managing Director.

**Independent Professional Assistance:**

The Board members are entitled to obtain independent professional advice relating to the affairs of the Company or to their individual responsibilities as members subject to approval by the Board.

**Director's Professional Development:**

- The Board is required to be up to date with current business, industry, regulatory and legislative developments and trends that will affect the Company's business operations.
- Immediately after appointment, the Company will provide a formal induction, if necessary.



- Meetings will also be arranged with Executive Management, Heads of Divisions and the Company's auditors. This will foster a better understanding of the business environment and markets in which the Company operates.
- The induction program will also include meetings with the Chairman and, if necessary, legal counsel to review the Board's role and duties, particularly covering legal and regulatory requirements.
- A continuing awareness program is essential and it may take many different forms, through distribution of publications, workshops, presentations at Board meetings and attendance at conferences encompassing topics on directorship, business, industry, regulatory developments. Company will have rigorous training procedures for the continuous development and awareness of Board members, on need-based basis.

#### **6. CODE OF CONDUCT, CONFLICTS OF INTEREST, INSIDER TRADING:**

- The members of the Board should ensure that they conduct their affairs with a high degree of integrity, taking note of applicable laws, codes and regulations. The Board has approved a Code of Conduct for Directors.
- A Director shall declare to the Board any personal interest, whether direct or indirect (of 'connected persons'), he may have in matters brought before the Board. This declaration shall be recorded in the minutes and the interested Director shall not participate in the debates or voting on the resolutions to be adopted in this respect.
- Any decisions to enter into transactions, under which Company's Directors, would have conflicts of interest that are material, shall be formally and unanimously approved by the full Board. Directors must inform the entire Board of (potential) conflicts of interest in their activities with, and commitments to other organizations as they arise and abstain from voting on the matter. This disclosure must include all material facts in the case of a contract or transaction involving the Director.
- The Chairman of the Board shall communicate to the Annual General Meeting, when it is convened, the result with respect to the significant transactions and contracts in which any Director has a personal interest. Such communication shall be accompanied by a special report from the External Auditor. The Company shall disclose such transactions in its financial statements/Annual Report.
- The Board may disclose to the shareholders in the Annual Report any abstention from voting motivated by a conflict of interest and will disclose to the shareholders any authorization of a conflict of interest contract or transaction.





## 7. BOARD RESOLUTIONS AND MINUTES:

- The Company/Board Secretary shall minute the proceedings and resolutions of all Board and its Committee meetings.
- Minutes will be signed by the Chairman within 7 working days after each meeting and tabled for circulation for confirmation at the subsequent meeting by the members present at the meeting.
- A Director who objects to any resolution adopted by the Board shall have his objection recorded in the minutes.
- All resolutions by circulation should be tabled at the subsequent Board meeting for ratification.

## 8. BOARD AND COMMITTEE EVALUATION:

- The Board shall perform a self-evaluation on an annual basis. The Board shall annually review its Charter and its own effectiveness and composition; and initiate suitable steps for any amendments.
- The evaluation process shall also cover the review of the performance of each individual Board member, his attendance and his constructive involvement in discussions and decision making.
- The Board will also review self-evaluations of the Board Committees and consider appropriately any recommendations arising out of such evaluation.

## 9. COMMUNICATION WITH SHAREHOLDERS

- The Board will ensure that the Annual General Meeting (AGM) is conducted in an efficient manner and serves as a crucial mechanism in active shareholder communications. Key ingredients behind this include the supply of comprehensive timely information to shareholders and the encouragement for their active participation in the AGM.
- The Chairman and other Directors attend the AGM and will be available to answer any questions.
- The Company is at all times mindful and conscious of its regulatory and statutory obligations regarding dissemination of information to its stakeholders.
- A suitable section on the website may be separately considered to provide appropriate and useful information to the shareholders.



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- Shareholders can complete an online form on the Company's website to forward any queries they may have.

Shareholders Meeting:

- The ordinary General Meeting of the shareholders will be summoned by the Secretary of the Board of Directors at the time and place as decided by the Board of Directors subject to provisions of the law in this respect. The Ordinary General Meeting will be held at least once in every financial year within six months following the end of the financial year of the company. The Board of Directors may summon the General Meeting at any time if requested to do so by the a number of shareholders representing 10% of the capital of the company provided that they shall have serious cause for such request.

## 10. SHAREHOLDERS RIGHTS

Shareholders of the Same Class:

- All shareholders of the same type, class and series shall be treated equally and will carry the same rights.
- All investors shall be able to obtain information about the rights attached to all types, series or classes of shares before they purchase, where applicable. Any changes in voting rights shall be subject to approval by those shareholders which are negatively affected.
- Company shall protect the interests of minority shareholders and ensure their equitable treatment.
- The Company shall encourage the attendance of shareholders at all shareholder meetings.
- Where shareholders are unable to attend, the Company will make provision for such shareholders to vote by proxy.
- Processes and procedures for general meetings shall allow for equitable treatment of all shareholders.
- Other Shareholders Rights
- The Company will protect all rights of shareholders in keeping with the Companies Act and Memorandum and Articles of Association of the Company.



## 11. EXTERNAL TRANSPARENCY:

- The Company provides information on all events that merit announcement, either on its website – [www.coppertechbd.com](http://www.coppertechbd.com) – or through newspapers, stock exchanges and other channels.
- The Company's five-year financials are posted on the website together with the last two years' financials in Company's Annual Reports.
- The Company uses a bulletin board for communicating with its staff on general matters and sharing information of common interest and concern.
- The Annual Report will contain a separate section on Corporate Governance and Disclosures, which will cover details on the number of Board meetings, information on Directors, Board Committees and other related information. The Chairman's Report in the Company's Annual Report may review major events during the past financial year and the outlook for the future.
- The remuneration paid to the Chairman and members of the Board may be published in the Annual Report.

## 12. CONCLUSION:

- This Board Charter had been developed with the intention of providing an informative written reference for Board members and for others who work with the Board. The provisions in this document are consistent with the regulatory requirements and with best market practice. Although this document sets forth the key principles under which the Board operates; it is a statement of intention. Accordingly, it is a working document that can change from time to time as the Board considers appropriate and as circumstances and conditions change.
- This document is not intended to supersede the requirements under Company's Memorandum of Association and Articles of Association. In the case of a conflict between this document and the Memorandum of Association and Articles of Association, the provisions in the Memorandum of Association and Articles of Association will govern, unless and until the relative provisions are duly amended through appropriate corporate action.

