

# Express Catering Limited – ECL

## Corporate Governance Charter

The Board of Directors of Express Catering Limited (ECL) has adopted the following Charter and Corporate Governance guidelines to help in strengthening its oversight responsibilities to the company. These principles and policies will be subsumed under any legal and or regulatory guidelines that would have established the Company and that exists for the general good corporate governance and the general laws of the land. The Board will review the Charter at least bi-annually and will revise it from time to time.

### **1 OPERATION OF THE BOARD**

#### **A Director Responsibilities**

The basic responsibility of the Board and the sub-committees formed to assist the Board will be to use their business judgment to assist ECL in fulfilling the interests of the shareholders. In discharging that responsibility, the Directors will be entitled to rely on the honesty and integrity of the Company's Senior Executives and its outside Advisors and Auditors.

The Board of Directors will engage in the following and any other act necessary in fulfilling their responsibilities;

- Review, evaluate and approve, on a regular basis, long-range plans for the Company.
- Review, evaluate and approve the Company's budget and forecasts.
- Review, evaluate and approve major resource allocations and capital investments.
- Review the financial and operating results of the Company and approve for publishing.
- Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- Review, evaluate and approve compensation strategy as it relates to senior management of the Company.
- Adopt, implement and monitor compliance with the Company's Code of Conduct.
- Review periodically the Company's corporate objectives and policies relating to social responsibility.
- Review and assess the effectiveness of the Company's policies and practices with respect to risk assessment and risk management.

#### **B Board and Committee Meetings**

The Board will meet at a minimum of four times per annum in conjunction with the close of each reporting Quarter; additional meetings will be arranged as the need arises. Directors will be provided with the location of the meeting place in advance. All directors are expected to attend the meetings of the Board and the Committees on which they serve. Directors are expected to spend the necessary time and meet as is necessary to properly discharge their responsibility.

The Audit Committee will meet a minimum four times per annum (prior to the Board of Directors meeting) and will satisfy themselves as to the completeness of the financial information being presented to the Board of Directors meeting.

The Compensation Committee will meet at least two times per annum and will provide the Board with the necessary guidance on optimizing the staff component of the company's performance.

The Chairman, CEO or Committee Chairpersons may from time to time invite Corporate Officers, other Employees and Advisors to attend the Board or Committee meetings whenever deemed necessary.

### **C      Agenda Items for the Board and Committee Meetings**

The Chairman of the Board or Committee will establish the agenda for each Board or Committee meeting. Each Director is free to suggest the inclusion of items on the agenda and may raise subjects that are not on the agenda for that meeting but which is deemed important for the attention of the Board or Committee. The agenda and any supporting details or proposed resolutions will be provided to the Directors in advance. Directors should review these materials in advance of the Board or Committee meeting in order to maximize their contribution to the meeting.

### **D      Directors Compensation**

Executive Directors shall receive no additional compensation for serving as Directors. Non-executive Directors, on the other hand, shall receive reasonable compensation and reimbursement of costs incurred to attend Board and Committee meetings. The level of compensation will be set by the Compensation Committee and will be reviewed annually.

The Compensation Committee will bear consideration to the fact that the form and amount of compensation to Directors may have consequences for their perceived independence. Any contracts with a Director, directly or indirectly, must be disclosed and must pass the test of transparency.

### **E      Director Orientation and Education**

Management will provide new Directors with an initial orientation in order to familiarize them with their responsibilities as Directors, the Company's obligations as a listed company, the operating business units and the nature of the businesses, strategic plans, significant financial, accounting and risk management issues, senior management team and internal and external auditors.

To support the Directors fulfillment of their responsibility regarding continuing education for best practices, management will provide the following;

- Educational programs supplemental to the initial orientation to explain the company's business operations, including its use of technology, its products and market position.
- Access to or provide notice of continuing education programs that are designed to keep directors current with new corporate responsibility trends and practices.
- Any information that will assist comparative analysis
- Arrange for periodic visits to actual operating units.

- A legal review for the Board, at least annually, of the status of major litigation, compliance with significant regulatory requirements and corporate governance matters.

## **F Management Succession Planning**

The Compensation Committee will conduct an annual review of the performance of the Chief Executive Officer (CEO) for presentation to the Board. The Board will review the report to satisfy themselves that the CEO is providing the best leadership for the company and will communicate any recommendations for improving performance.

The Board will evaluate potential successors and approve management succession strategies and plans for the Chief Executive Officer and other executive officers of the Company. The Chief Executive Officer should at all times, make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **G Directors Access to Officers, Employees and Independent Advisors**

Directors have full and free access to officers and employees of the company. A Director may request through the CEO or the Secretary, the presence of any Officer or Employee at the Board of Directors meeting in order to satisfy any inquiry. Directors will ensure that any such request is not disruptive to the good operations of the company and should at all times copy the CEO on any such requests.

The Board of Directors has full power to engage the services of independent advisors or experts, including legal and financial expertise, in the furtherance of their obligations. The company will provide the necessary funding for payment of any such expert advice received.

# **2 BOARD STRUCTURE**

## **A Size of the Board.**

The company has adopted the convention of a minimum five Director Board with 2 being executive directors and 3 being non-executive Directors. This may be varied within the limit of the bylaws as the company deems necessary through resolution of members or resolution of the existing Directors. In addition, the Board will have the guidance of a Mentor, who may be a Director or will be in addition to the Directors.

Executive Directors will include the Chief Executive Officer, The Chief Financial Officer and may include a Chief Operating Officer or any other officer of the company, the objective being to strengthen the oversight role of the Board.

## **B Selection of Directors**

Nominees for Directorship to the Board will be brought before the existing Board for consideration. The invitation to join the Board will be extended by the Chairman of the Board. Any such notice of intention

to propose must be given not less than Seven days and not more than Fourteen days before the date of the meeting to elect.

The Board is responsible for filling vacancies on the Board; any such vacancies will arise through resignation, death, disqualification from amongst current directors and out of necessity to increase the current numbers.

## **C Director Qualification**

The Directors are expected to lead the organization in maximizing value for the shareholders. The following desirable characteristics, though not guaranteeing, will increase the likelihood of that;

### **(i) Personal Characteristics**

- **Integrity and Accountability:** High ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.
- **Informed Judgment:** Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, and express reservation and voice dissent.
- **Financial Literacy:** An ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating Company performance.
- **Mature Confidence:** Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- **High Standards:** History of achievements that reflect high standards for himself or herself and others.

### **(ii). Core Competencies**

- **Accounting and Finance:** Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- **Business Judgment:** Record of making good business decisions and evidence that those duties as a Director will be discharged in good faith and in a manner that is in the best interests of the Company.
- **Management:** Experience in corporate management. Understand management trends in general and in the areas in which the Company conducts its business.
- **Crisis Response:** Ability and time to perform during periods of both short-term and prolonged crisis.
- **Industry/Technology:** Unique experience and skills in an area in which the

- **International Markets:** Company conducts its business, Experience in global markets, international issues and foreign business practices.
  - **Leadership:** Understand and possess skills and have a history of motivating high-performing, talented managers.
  - **Strategy and Vision:** Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the Company to sharpen its vision.
- (iii) Commitment to the Company**
- **Time and Effort:** Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. Encouraged to attend all annual meetings of shareowners. A willingness to rigorously prepare prior to each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.
  - **Awareness and Ongoing Education:** Possess, or be willing to develop, a broad knowledge of both critical issues affecting the Company (including industry-, technology- and market-specific information), and director's roles and responsibilities (including the general legal principles that guide board members).
  - **Other Commitments:** In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and annual meetings of the shareowners, and a willingness to do so.

**(iv) Team and Company Considerations**

- **Balancing the Board:** Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- **Diversity:** Contributes to the Board in a way that can enhance perspective and judgment through diversity in gender, age, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors).

Nomination of a candidate should not be based solely on these factors.

**D Director Retirement**

There is currently no retirement age for Directors. The company believes that once the qualification criteria are being met by each Director, then each Director will contribute positively to the company.

## **E Director Resignation**

Any Director may resign at any time by giving notice (in writing or by electronic transmission) to the Chairman of the Board, the President or the Secretary of the Company. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## **F Term Limits**

The Board does not believe it should establish term limits. Term limits hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

## **G Dealings of the Directors with the company**

Directors must disclose any interest in transactions with the company and must withdraw from any proceedings of the Board which considers whether to approve any contract or arrangements in which he is interested.

# **3 COMMITTEES OF THE BOARD**

A substantial portion of analysis and work of the Board is done by standing Board Committees. The company has established 2 such committees;

- Audit Committee
- Compensation Committee

Other committees may be established as the need arises.

## **A Audit Committee**

The Audit Committee will comprise of a minimum two, of which two will be Non-executive Directors. Invitees to the Audit Committee will include the VP of Internal Audit and Controls but may have other attendees as the needs arise. The committee will meet for a minimum of four times per annum and will arrange the meeting to coincide with the completion of the reporting quarter financial reports. Responsibility will include but is not limited to the following:

- Monitor the financial performance of the company against objectives.
- Ensure that the company is compliant with statutory and regulatory financial reporting requirements.

- Ensure that the company is compliant with covenants relating to banking and other creditor requirements.
- Monitor and review the effectiveness of the internal audit function.
- Review external audit recommendations for improvement in controls.

## **B Compensation Committee**

The purpose of the Compensation Committee is to assist the Board in the oversight of matters relating to compensation plans, compensation of executives, long-term strategic plans and performance in regard to management of human resources. The committee will meet at a minimum of 2 times per annum and will comprise of three, of which two will be non-executive Directors. The Head of Human Resources will be the permanent Liaison Officer to the Committee but there may be other invitees. The Committee shall have such powers and perform such duties as the Board may from time to time delegate to it, including, but not limited to those set forth below:

- Recommend to the Board salary and compensation levels, including fringe benefits, for all officers of the company and its subsidiaries;
- Review and make recommendations to the Board with respect to all executive compensation plans, including incentive compensation plans and equity based plans;
- Review operating performance relative to bonus and incentive programs;
- Review and approve corporate goals and objectives with respect to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation based on this evaluation;
- Recommend to the Board persons to serve as senior officers of the company;
- Review overall succession and continuity planning with the Chief Executive Officer;
- Review long range strategic plans and performance in regard to its management of all human resources, including safety, health, labor/employee relations and equality of treatment;
- Review the status of significant risk(s), if any, for which oversight has been assigned to the Committee by the Board of Directors;

## **4 OTHER BOARD PRACTICES**

### **A Board Interaction with Institutional Investors, Analysts, Media, Customers and Members of the Public**

Except where directed by the Chief Executive Officer or the Chief Financial Officer of the Company, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by specifically designated representatives of the Company. If a Director receives any inquiry relating to the Company from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask them to call the company's Chief Executive Officer.

**B Performance Evaluation of the Board**

The Board of Directors will conduct a self-evaluation at the fourth meeting annually. The intent is to determine the effectiveness of the Directors and the Committees that they serve on in carrying out their fiduciary duty to the shareholders. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve. The assessment will be discussed with the full Board each year.

**C Prior Notice of Outside Directorships**

Directors should carefully consider the number of other boards on which they can serve consistent with the time and energy necessary to satisfy the requirements of Board and Committee memberships. Directors should also carefully consider any actual or apparent conflicts of interest and impairments to independence that service on other boards may create. In furtherance of these considerations, outside directors must notify the Chairman of the Board in a timely fashion before accepting an invitation to serve on the board of another public company. This prior notice is to allow discussion with the Chairman of the Board to review whether such other service will interfere with the outside Director's service on the Company's Board, impact the Director's status as an independent Director, or create an actual or apparent conflict of interest for the Director.

End