



Yever Co.,Ltd

Board Charter

Approved by the board of Directors

10/6/2020

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1 Introduction

At Yever, we are convinced that business in Myanmar can be a driving force of good to support and enable the transition towards a better Society. Therefore, our purpose is to empower Myanmar businesses so that they can play a role in this journey by transforming their own business practices, embracing better management especially related to transparency, sustainability and responsibility.

Yever is a purpose-driven organisation: we are long-term oriented and aim to create socio-economic value that will benefit simultaneously:

- its shareholders
- its team members
- Myanmar Society

For the time being, Yever is a start-up, and the two founders are the only shareholders: Yever is a (very) small privately-owned company. The two shareholders are the two Board Members, and both are executive Directors.

One could wonder why there is a need to develop a policy. It is for Yever a means to:

- be as future-proof as possible
- walk the talk and demonstrate that a Myanmar organisation can embrace good business practices
- clarify the roles and responsibilities of the different bodies for all our stakeholders internally and externally

The purpose of this Board charter is to:

- state the principles related to Corporate Governance of Yever (the “Company”, “us”, “we”)
- clarify Yever’s Corporate Governance framework
- detail the responsibilities and procedures of the Board of Directors (the “Board”).

This Policy is complementary to the provisions regarding the Board of Directors contained in:

- the Myanmar Companies Law
- the Yever’s Constitution
- our Code of Conduct

The Board must review yearly this Charter – as the organisation is expected to flourish, the level of details for its governance might be adjusted in the future.

2 Principles & Values

The Board is the custodian of Yever's:

- purpose & corporate values
- financial and ethical integrity

Yever supports the G20/OECD Principles of Corporate Governance. Moreover, we will proactively embrace more stringent principles that might help us realising our purpose.

Safeguarding Yever's integrity is the uttermost priority of the Board. Hence, these principles shape how we are making decision and conducting our business.

The Board and the Team members are expected to embody these values and to lead by example.

3 Composition and structure

3.1 Board of Directors profile

3.1.1 Profile – The Board of Directors shall prepare a profile of its size and composition, considering the nature of the business of the organisation and the desired expertise and background of the Board of Directors members.

3.1.2 Number of Members – The Board of Directors determines the number of Board of Directors members. The Board of Directors shall have at least 2 members and a maximum of 9 members.

3.2 Appointment

3.2.1 Election – The Board is elected by the shareholders during the General Meeting.

3.2.2 Reappointment – Before recommending a member of the Board of Directors for reappointment, the Board of Directors must carefully consider his past performance on the Board of Directors.

3.3 Chairperson

3.3.1 Election – The Board of Directors shall elect a Chairperson.

3.3.2 Duties – The Chairperson of the Board of Directors is primarily responsible for the activities of the Board of Directors. He or she shall act as the spokesman of the Board of Directors and is the principal contact for the Management team. The Chairperson of the Board of Directors usually presides over General Meetings.

4 Board responsibilities and members powers and duties

4.1 General duties

4.1.1 *Duty of care and diligence* – Each member of the Board of Directors shall, when making a decision in exercise of his or her powers, always:

- decide in good faith
- rationally believe that the decision will support Yever’s purpose and strategy

4.1.2 *Duty of loyalty* – Each member of the Board of Directors shall, at all times, remain mindful of and discharge his or her duty to the organisation. He or she shall NOT:

- improperly use his or her position or information obtained by him or her as a director to gain an advantage for him or herself or someone else, or cause detriment to the organisation
- disclose confidential information
- enter into contractual relations with a competing organisation.

4.1.3 *Duty to Disclose* – A Board of Directors member shall immediately report to the Chairperson of the Board of Directors any conflict of interest or potential conflict of interest and shall provide all relevant information.

4.1.4 *Adherence to Corporate Governance Policies, Code of Conduct, and Applicable Laws* – The Board members and employees shall understand the Policies included in this Charter as their joint obligation, and accordingly, obligate themselves to ensure that its provisions and spirit are adhered to and acted upon throughout the organisation. Further, all Board members and employees of the organisation shall agree to act in accordance with all applicable laws and regulations and ethical standards of business conduct. The Board shall have primary responsibility for ensuring the development of, compliance with, and periodic review of corporate governance and conduct policies and practices in the organisation, including the regular update of these policies.

4.2 Responsibilities

4.2.1 *Accountability* – The Board is accountable to the stakeholders of the organisation for creating long-term value that will benefit Yever and the Society.

4.2.2 *Responsibilities* – The following are the primary functions of the Board:

- define, review and approve Yever’s purpose
- review, approve and monitor the organisation’s long-term strategic objectives, business plans and performance targets
- review and approve the annual operating budget
- supervise and advise the management team and oversee the general business of the organisation oversee (i) the integrity of the financial statements, (ii) the performance, qualifications, and independence of the external auditor

- oversee and approve the risk management framework, the policies and procedures to effectively manage risk
- ensure compliance with legal and regulatory requirements
- review and approve major decisions on (i) the organisational structure, (ii) the establishment of subsidiary companies, (iii) the establishment of branches and representative offices, (iv) major capital allocations and expenditures higher than 10,000 US\$
- review and/or approve the transactions with related parties
- select and recommend directorship candidates for election by shareholders
- define the remuneration and incentive schemes, including key performance indicators, for members of the Board, as well as for key executives of the organisation
- appoint and, as necessary, dismiss key executives of the organisation
- develop succession plans and development objectives for key executives
- assess the effectiveness of the organisation's governance practices and policies and making changes as needed
- discuss its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board of Directors
- approve and review the organisation's values, ethical standards, and purpose
- ensure that obligations to key stakeholders and shareholders are met

4.2.3 Securing Information – The Board of Directors and its individual members each has responsibility for obtaining all information from the Management team, and the External Auditor needed to carry out their duties. If the Board of Directors thinks it is necessary, it may obtain information from officers and external advisers of the organisation. The organisation shall aid the Board of Directors in obtaining such information. The Board of Directors may require certain officers and external advisers to attend its meetings.

4.2.4 Access to information – Each member of the Board of Directors has access to the books and records of the organisation, if useful to perform his duties.

4.2.5 Use of experts or Advisory board – The Board of Directors may hire experts or form the Advisory Board to assist or advise them. To get the independent and neutral advises, the Board may engage various experts. In the future, if the Board of Directors form the Advisory Board, it shall include at least one representative from the team. The cost of such experts shall be agreed to by the Board of Directors and shall be paid by the organisation.

5 Board working procedures

5.1 Frequency, notice, venue and attendance

5.1.1 Frequency – The Board of Directors shall meet as often as necessary and at least quarterly. If possible, meetings shall be scheduled annually in advance.

5.1.2 Notice and Agenda – Meetings of the Board of Directors are called by any Board Members. Written notice of each meeting of the Board shall be given to all the Board Directors. Each Board of Directors member and the Management team collectively, has the right to:

- request that an item be placed on the agenda for a Board of Directors meeting; provided that the item is received by the Chairperson at least two weeks prior to the meeting,
- call for a Board of Directors meeting.

5.1.3 Venue – Board of Directors meetings are generally held at the offices of the organisation but may also take place elsewhere. Besides, meetings of the Board of Directors may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

5.1.4 Undue Absence – If a Board of Directors member does not attend at least 75% of the Board of Directors meetings, he shall be required to explain such absences to the Chairperson.

5.1.5 Attendance by Non-Members – The admission to a meeting of persons other than Board of Directors members shall be decided by a majority vote of the Board of Directors members present at the meeting.

5.1.6 Annual Plan – The Board shall develop an Annual Plan that highlights key topics to be covered over the course of the year. Individual Board agendas should then be set in alignment with this annual plan, plus include any other timely issues that need to be discussed. Directors are urged to make suggestions for other agenda items, or additional pre-meeting materials as needed.

5.2 Decision-Making

5.2.1 Individual Vote – Each Board of Directors member has the right to cast one vote.

5.2.2 Quorum – At any meeting of the Board, the quorum must be present at all times during the meeting. The quorum for a meeting of the Board, duly convened and held, shall require the presence of a majority of the Directors of the Board. In the absence of a valid quorum at a meeting of the Board duly convened, the meeting shall be adjourned to the same time and place seven days thereafter.

5.2.3 Preference for Unanimity – The Board of Directors members shall try to unanimously adopt resolutions.

5.2.4 Majority – Where unanimity cannot be reached and the law, the organisation's Constitution or this Policy do not prescribe a larger majority, all resolutions of the Board of Directors are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board of Directors has the deciding vote. At a meeting, the Board of

Directors may only pass resolutions if the majority of the Board of Directors members are present or represented.

- 5.2.5 Adoption at Meeting** – In general, resolutions of the Board of Directors are adopted at a Board of Directors meeting.
- 5.2.6 Written Consent** – Board of Directors resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board of Directors members, and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board of Directors members. A statement from a Board of Directors member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
- 5.2.7 Minutes** – Minutes must be drawn up for every Board of Directors meeting and every resolution adopted outside a meeting. The minutes are to be signed by the Chairperson of the meeting and the minute writer and then added to the organisation's records. The minutes of a meeting are taken as having been approved if the members of the Board of Directors do not submit a written objection to the Chairperson within four weeks of the date on which the minutes were distributed. If the Chairperson is unable to resolve the objection, a decision must be taken on it in the next meeting.
- 5.2.8 Interpretation** – In case of uncertainty or difference of opinion on how a provision of these policies should be interpreted, the opinion of the Chairperson, with input from other Board members, shall be decisive.

6 Other Provisions

6.1 Compensation of Board of Directors Members

- 6.1.1 Approval by General Meeting** – The compensation of the Board of Directors members is approved by the General Meeting. The Board of Directors shall submit proposals on its compensation to the General Meeting.
- 6.1.2 Reimbursement of Costs** – Apart from their compensation, Board of Directors members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the Chairperson of the Board of Directors. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairperson.
- 6.1.3 Loans and Guarantees** – The organisation and its Subsidiaries do not grant personal loans, guarantees or the like to Board of Directors members, save as part of its usual business operations. Loans are not remitted.

6.2 Ongoing training

- 6.2.1 Annual Review of Training** – The Board of Directors shall conduct an annual review to identify areas where the Board of Directors members require further training or education.
- 6.2.2 Costs of organisation** – The costs of the induction course and any training or education shall be paid for by the organisation.

6.3 Board evaluation

6.3.1 Annual assessment – The Board shall conduct an annual assessment of its performance in the preceding year. The criteria to be used in the assessment include:

- Whether the Board is functioning effectively
- Are the roles and responsibilities of the Board members and management aligned with the long-term success of the business, and
- Has the Board set a strong culture for the organisation to follow

6.4 Other positions

6.4.1 No excess Memberships – Members of the Board of Directors shall limit their other positions so as to ensure they can perform their duties as members of the Board of Directors. They will hold no more than ten memberships of Board of Directors in companies, with a Chairpersonship counted twice.

6.4.2 Notice of Outside positions – Board of Directors members must inform the Chairperson of the Board of Directors of their other positions which may be of importance to the organisation or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board of Directors.

6.5 Audit & Control Environment

6.5.1 Risk Management and Internal Control – Yever places great importance on maintaining sound risk management and internal control framework. The Board of the organisation is tasked with ensuring that appropriate risk management and internal systems are established and working effectively.

6.5.2 External Auditor – Yever shall engage a publicly recognised, independent auditing firm fully independent from the organisation, the organisation's management and major shareholders. The external auditor shall be appointed by the AGM and submitted for the necessary approvals from relevant regulatory agencies. The remuneration of the auditor shall be disclosed to shareholders.

7 Conflict of interest policy

- 7.1.1 Declaration of interest** – Upon taking office, a Board member shall be required to disclose to Yever all interests and relationships which could or might be seen to affect his ability to perform his or her duties as a Board member. Any such interests declared shall be recorded. The Board members shall disclose any relevant directorships, employment or significant interests of family members which might give rise to a real or perceived conflict. Each Board member shall inform Yever when there are changes to his/her interests and shall complete a form annually that specifically lists his or her interests. The Board members review the form annually for accuracy and completeness.
- 7.1.2 Gifts** – Accepting gifts or other favours from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/favour does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Board member in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value (Up to 30,000 Kyats) or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the organisation. The acceptance of gifts exceeding 30,000 Kyats shall be recorded and reported to the Compliance Team.



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