

**GEM CABLES & CONDUCTORS LTD.,**  
**Composition Of Various Committees Of Board Of Directors**

This charter sets out the role, structure, responsibilities and operation of the Board of Gem Cables & Conductors Limited and its delegation of authority to management.

**1. ROLE OF THE BOARD**

The primary role of the Board is that of trusteeship to protect the interest of Company, its stakeholders and enhance their value. As trustee, the Board ensures that the Company has clear goals and policies for achievement which are in alignment with the Vision and Mission of the Company.

The Board provides strategic direction, reviews corporate performance, authorises and monitors strategic decisions, ensures regulatory compliances and safeguards interest of stakeholders.

The Board is responsible for maintaining and nurturing high levels of the corporate governance of the Company.

**2. DELEGATION TO MANAGEMENT**

- 2.1. The Board is vested with responsibility for managing the business of the Company. The Board has delegated authority for various matters that are necessary for the day-to-day management of the Company's business to management through the Managing Director.

**3. BOARD COMMITTEES**

- 3.1. The Board may establish Committees as it considers appropriate to assist it in executing its functions.
- 3.2. The permanent Committees of the Board are:
- the Audit Committee;
  - the Management Committee;
  - the Remuneration Committee; and
  - the Investor Grievance Committee.
- 3.3. The Board appoints or revokes the appointment of Committee members, the majority of whom for each Committee will be independent Directors as assessed by the Board in accordance with its policy on the independence of Directors.

- 3.4. The Board appoints the Chairman of each Committee from amongst the Committee's members. The Chairman of Audit Committee and Investor Grievance Committee will be an independent Director.
- 3.5. The Board shall review annually the composition of each Committee to ensure each Committee has an appropriate balance of experience and expertise in various functional areas.
- 3.6. The Board will adopt a charter for each Committee, setting out the terms of reference/ responsibilities delegated by the Board to the Committee and the Committee's structure and operation.
- 3.7. The role of a Committee is to operate within the terms of its charter and to take decisions and/ or make recommendations to the Board for decision.

#### **4. CONDUCT**

- 4.1. In giving effect to this charter, the Board will at all times act honestly, fairly, diligently and in accordance with the Company's Constitution and the law in the interest of the Company.
- 4.2. Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interest, dealing in Company's securities and other rules applicable to Directors as adopted by the Board from time to time.
- 4.3. Each Director is expected to act always in the best interest of the Company.
- 4.4. Each Director is expected to observe the highest standards of corporate governance and act in a manner consistent with the Company's Core Values and Code of Conduct.

#### **5. RESPONSIBILITIES**

The Board has reserved the following responsibilities for its decision:

<b>Stakeholders</b>	<b>Responsibility</b>
Shareholders	<ul style="list-style-type: none"> <li>• approval of business strategy and vision in line with efforts to drive shareholder value creation</li> <li>• approval of business plans, assuring that sufficient resources are available to implement strategy and monitoring of the implementation of strategy</li> <li>• approval and monitoring of major investments or divestitures and strategic commitments</li> <li>• determination of capital structure and dividend policy</li> <li>• approval and monitoring of financial reporting</li> </ul>

	<ul style="list-style-type: none"> <li>• oversight of risk management, internal control and compliance systems</li> <li>• appointment or removal of external auditors, and determination of the remuneration and terms of appointment of the auditors</li> <li>• appointment of Directors</li> <li>• overseeing of shareholder reporting and communications</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• benchmarking the delivery of value to customers, clients and partners</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• reinforcement of culture, core values</li> <li>• approval of superannuation, pension plans and employee stock options,</li> <li>• review of Executive Management Team performance and results</li> <li>• review and approval of Executive Management Team contractual arrangements, remuneration and benefits</li> <li>• oversight of succession planning for the Executive Management Team and such other executives as the Board may determine</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Drive the CSR initiative forward</li> <li>• oversight of the management of social, economic and environmental concerns consistent with the delivery of sustainable outcomes for stakeholders</li> <li>• reinforcement of reputation, brand and community relations</li> </ul>
Directors	<ul style="list-style-type: none"> <li>• review of the size and composition of the Board</li> <li>• Managing Director and other Executive Director's selection or removal and oversight of succession planning</li> <li>• review of Board performance</li> </ul>

## 6. COMPOSITION AND STRUCTURE

6.1. The Board will be constituted in accordance with the Company's Constitution and other applicable laws. The composition of the Board will be in conformity with the provisions of Companies Act, 1956, Listing Agreement, other applicable laws and agreements entered into with investors.

## **7. INDUCTION, CONTINUING EDUCATION AND ACCESS TO INFORMATION**

- 7.1. Appointed Directors shall be provided with a letter of appointment which sets out their rights, duties and responsibilities.
- 7.2. Directors shall participate in an induction programme involving comprehensive briefings from management on the Company's businesses and key issues and site visits.
- 7.3. Business briefings will be provided to Directors at each Board meeting. In addition, each Director shall participate in continuing education programmes conducted for Directors, on matters relevant to their role as Directors and key business and industry developments.
- 7.4. All Directors will have access to Company information and members of management shall furnish information or briefings on specific matters as requested.

## **8. ACCESS TO INDEPENDENT ADVICE**

Directors shall be provided information sought, by the Secretary from time to time.

Directors shall also direct the Secretary to obtain information/confirmation from departments, specialized agency or experts in the field.

Directors may also seek information or clarification on matters from person of their choice subject to maintenance of confidentiality of the matters.

## **9. CHAIRMAN**

- 9.1. The Directors will appoint a Director amongst themselves as Chairman of the Board.
- 9.2. Where the Chairman is absent from a Board meeting, a Chairman for the meeting will be appointed by the present members of the Board.
- 9.3. The principal role of the Chairman is to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities.

9.4. The Chairman will serve as the primary link between the Board and management. The Chairman will work with the Managing Director and Secretary of the Company to set the agenda for each Board meeting and is responsible for ensuring that all Directors are adequately briefed in relation to issues addressed at Board meetings.

## **10. SECRETARY**

10.1. The appointment of the Secretary is a matter for the Board.

10.2. The Secretary is accountable to the Board for monitoring and enhancing corporate governance processes and ensuring that the principles and procedures of the Board are followed.

10.3. The Secretary shall communicate the decisions taken by the Board to the functional departments, associates of the Company for implementation and provide necessary feedback to the Board as and when required.

## **11. MEETINGS**

11.1. The Board will meet in accordance with the Company's Constitution and other applicable laws.

11.2. Directors will use all reasonable efforts to attend each meeting of the Board and Committees of which they are members.

11.3. Board and Committee papers will be circulated to Directors prior to each Board and Committee meeting. Directors are expected to undertake adequate preparation to permit their effective contribution at each meeting.

11.4. Before each Board meeting, Non-Executive Directors may meet to discuss the matter in the Agenda of the Board of Directors or other Company related matter.

## **12. REVIEW AND AMENDMENT**

The Board will review annually the Board and Committee charters, and approve amendments as it considers appropriate.