

# CORPORATE GOVERNANCE

## I. INTRODUCTION

The Board of Directors (the “Board”) of the Company, has developed and adopted the following set of corporate governance guidelines (these “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. In recognition of the continuing development of corporate governance best practices, these guidelines will be periodically reviewed and, if appropriate, suitable changes will be made by the Board.

## II. RESPONSIBILITIES AND ROLE OF THE BOARD

The primary responsibility of the Board is to oversee the affairs of the Company in accordance with applicable laws, rules and regulations. The role of the Board is to monitor the effectiveness of management’s policies and decisions, including the execution of its strategies towards maximizing the Company’s long-term value for the benefit of shareholders.

All of the Company’s directors owe a duty of loyalty to the Company to ensure that the best interests of the Company take precedence over any interests possessed by the directors. The directors, in discharging their duties, are required to exercise the skill and care which may be reasonably expected of a person with that director’s skills and experience.

## III. BOARD COMPOSITION

The Board will not to have a fixed number of directors, but in accordance with the Company’s current articles of association, the minimum number of directors will not be less than 5.

The Board will consider the Qualification Standards set forth in Appendix I to these guidelines in the appointment of a director.

## IV. BOARD LEADERSHIP

The Shareholders of the Company and the Board make decisions about the selection of the Company's Chairman and the Company’s Chief Executive Officer based on their judgment as to the best interests of the Company at any given point in time. The Chairman of the Board shall not be the CEO.

## V. SELECTION OF DIRECTORS

**Nominations:** The owner of the Company is responsible for nominating individuals for election to the Board and for filling vacancies on the Board that may occur between annual general meetings of shareholders. The Company’s shareholders may nominate a person for election to the Company’s Board of Directors in accordance with the provisions of the Company’s articles of association.

**Orientation and Continuing Education:** Senior management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business and its risk profile, and meetings with senior management. Periodically senior management will prepare additional internal educational sessions for directors, and directors will be encouraged to participate in external

educational programs sourced for directors on matters relevant to the Company and to the exercise of the duties of a director.

## VI. ELECTION TERM

The Board has no established term limits. However, the directors will serve a maximum first term of 3 years before being considered for re-election

## VII. RETIREMENT OF DIRECTORS

The Company's articles of association do not establish a mandatory retirement age for directors.

## VIII. OTHER DIRECTORSHIPS

The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors should advise the Chairman before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.

## IX. BOARD MEETINGS

**General:** The Board anticipates holding at least one meeting annually with further meetings to occur at the discretion of the Board.

**Agenda:** The Chairman in consultation with the Chief Executive Officer will establish the agenda for each Board meeting and distribute the agenda in advance of the meeting. Directors may suggest additional agenda items and may raise at any meeting subjects that are not on the agenda.

**Meeting Materials:** Management is responsible for ensuring that information and data that are important to the Board's understanding of the Company's business and to all matters expected to be considered and acted upon by the Board be distributed in writing to the Board sufficiently in advance of each Board meeting. Management will make every attempt to see that this material is as concise as possible while still providing the desired information. To prepare for meetings, directors should review these materials in advance. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written material may not be available in advance.

## X. ATTENDANCE AND PARTICIPATION IN MEETINGS

**Attendance:** All directors should make every effort to attend meetings of the Board and of its committees of which they are members as well as meetings of the Company's shareholders. Directors may attend by telephone or video conference.

**Participation:** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of its committees on which he or she serves. Upon request, senior management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business.

## XI. CONFIDENTIALITY

The proceedings and deliberations of the Board and its committees are confidential. Each director is expected to maintain the confidentiality of materials and information received in connection with his or her service as a director.

## XII. THE COMMITTEES OF THE BOARD

There are no active or appointed committees at present. Committees may be formed as determined by the Board

**Charters and Other Requirement:** Where applicable each committee will have a written charter of its own or will follow the provisions in the Articles of Association.

**Membership:** Each Committee shall be composed of at least three members as determined by the board. A director may serve on more than one committee for which he or she qualifies. The appointment of directors and others as members of such committees, shall be approved by the Board.

**Meetings and Agenda:** Meetings of the Committees shall, if necessary, be scheduled to coincide with regular Board meetings. The chair of each committee may call additional meetings, as required, and meetings may otherwise be called in accordance with any committee's charter. All directors, whether or not members of a committee may make suggestions to a committee chairman for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chairman will give to the Board a report of the committee's activities since the preceding Board meeting.

**Executive Committee:** The Executive Committee may review and make recommendations to the whole Board on the Company's actions and on the management of the business and affairs of the Company in addition to the powers as may be provided in resolutions of the Board and under applicable law.

## XIII. EVALUATING BOARD AND BOARD COMMITTEE PERFORMANCE

The Board will conduct a self-evaluation at least annually to determine whether or not it is functioning effectively. The Board will assess whether or not it has the necessary tools to perform its oversight function effectively.

Each committee of the Board will conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its charter.

## XIV. MANAGEMENT SUCCESSION

From time to time, the Board reviews and agrees on a succession plan. To assist the Board, the Chief Executive Officer will present a report on succession planning for all senior management with an assessment of senior management and their potential to succeed the Chief Executive Officer and other senior management positions. The Chairman shall review the report with the Board. As a matter of policy, each of the Chairman and the Chief Executive Officer will provide the Board, on an ongoing basis, with his or her recommendation as to a successor in the event he or she is no longer able to serve as Chairman or Chief Executive Officer.

## XV. EXECUTIVE COMPENSATION

**Evaluating and Approving Salary for the Chief Executive Officer:** The Board evaluates the performance of the Chief Executive Officer and the Company against the Company's goals and objectives and approves the compensation level of the Chief Executive Officer.

**Evaluating and Approving the Compensation of Senior Management:** The Board evaluates the performance of senior management and approves the overall compensation policies applicable to senior management of the Company.

## XVI. BOARD COMPENSATION

The Board periodically reviews the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

## **XVII. CONTACT WITH SENIOR MANAGEMENT**

All directors are encouraged to contact the Chairman and Chief Executive Officer at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of senior management and are encouraged to speak to any member of senior management. The directors will co-ordinate all such access, as far as possible, through the Chairman and Chief Executive Officer and will use their judgment to ensure that this access is not unduly distracting to the business operations of the Company. The Board expects that there will be frequent opportunities for directors to meet with the Chairman and/or Chief Executive Officer and other members of senior management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages senior management to bring, from time to time, into Board meetings employees who (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, or (b) should be given exposure to the Board.

## **XVIII. COMMUNICATIONS WITH OTHER CONSTITUENCIES**

The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups, including shareholders, the press, analysts, clients, suppliers, governments and representatives of the communities in which the Company operates. It is the policy of the Company to communicate and interact fully with these stakeholders and the Board will look to senior management to speak for the Company. This policy does not preclude directors from communicating directly with shareholders or other constituencies about Company matters, but any such communications will generally be held at the request of the Board or senior management with senior management present.

## **XIX. ETHICAL CODE**

The Company has adopted an Ethical Code (the "Code"). Certain portions of the Code deal with activities of directors, including with respect to potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Chief Executive Officer in the event of any issues.

## **XX. RELIANCE ON SENIOR MANAGEMENT AND OUTSIDE ADVICE**

In performing its functions, the Board and its committees are entitled to rely on the advice, reports and opinions of senior management as well as outside counsel, accountants, auditors and other expert advisors. The Board and its committees shall have the authority to retain and approve the fees and retention terms of its outside advisors.

## **APPENDIX I**

### **DIRECTOR QUALIFICATION STANDARDS**

The Board should, at a minimum, consider the following factors in the nomination or appointment of members of the Board:

1. **Integrity:** Directors should have proven integrity and be of the highest ethical character and share the Company's values.
2. **Reputation:** Directors should have reputations (both personal and professional) that are consistent with the Company's image and reputation.
3. **Judgment:** Directors should have the ability to exercise sound business judgment on a broad range of issues.
4. **Knowledge:** Directors should be financially literate and have a sound understanding of business strategy, business environment, corporate governance and board operations.
5. **Experience:** In selecting directors, the Board should generally seek those persons with practical experience and leaders of major complex organizations, including scientific, accounting, government, educational and other non-profit institutions.
6. **Maturity:** Directors should value Board and team performance over individual performance, possess respect for others and facilitate superior Board performance.
7. **Skills and Personality:** In selecting directors the Board should consider the interplay of the individual's experience, skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company.
8. **Commitment:** Directors should be able and willing to devote the required amount of time to the Company's affairs, including preparing for and attending meetings of the Board and its committees. Directors should be actively involved in the Board and its decision-making.
9. **Independence:** Directors should be independent in their thought and judgement and be committed to represent the long-term interests of all of the Company's shareholders.