

BUILDING & CIVIL ENGINEERING CO. LTD (BCE)

BOARD CHARTER

1 INTRODUCTION

The Board of Directors' Charter (the "Charter") sets out the objectives, composition, structure, role, responsibilities and processes of the Board of directors (the "Board") of BCE. This Charter should be read in conjunction with the Company's constitution ("the Constitution") and the Shareholders' agreement, together with any Addendums (the "Shareholders' agreement"). Should any conflict arise between this Charter and the Constitution, the Shareholders' agreement or any relevant laws, the provisions of the Constitution, the Shareholders' agreement or any applicable laws shall prevail.

1.1 Charter on Website

This charter is posted on the company's website.

2 OBJECTIVES

The objectives of the Board is to define the company's purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and its subsidiary. The Board should thereafter ensure that the Company and its subsidiary are being managed in accordance with the directions and delegations of the Board.

3 COMPOSITION AND STRUCTURE OF THE BOARD

- 3.1** The Board shall consist of a minimum of two (2) directors and a maximum of fourteen (14) directors
- 3.2** The Board is a unitary board and shall comprise of independent non-executive, executive and non-executive directors.
- 3.3** The chairperson of the Board shall be a non-executive director.
- 3.4** The CEO may be a member of the Board but not its Chairperson.
- 3.5** Board members should be qualified for their positions, have a clear understanding of their role and be able to exercise sound judgement about the affairs of the Company. Board composition is regularly reviewed to ensure that non-executive directors between them bring the range of skills, Knowledge and experience necessary to direct the Company going forward.
- 3.6** To assist the Board in determining whether a director is independent, the Board has adopted the director independence guidelines set out in Appendix A. However, the Board prioritises knowledge and industry experience over the strict application of criteria (vii) in Appendix A. Moreover, the Board will not insist that all of the criteria be cumulatively met if it is satisfied that a director is able to - and in fact exercises - independence of mind and judgment in his/her duties as a director, even though any one or more of the criteria is not met.

4 APPOINTMENT, EVALUATION AND REMUNERATION OF THE BOARD / COMMITTEE MEMBERS

- 4.1** The appointment process has been delegated to the Corporate Governance Committee (CGC) which recommends to the Board, the directors to be appointed and/or re-elected.
- 4.2** The CGC shall regularly review and assess the Board, the Committees and the individual directors in order to assess the effectiveness of the Board and Committees as a whole and to evaluate their performance on a personal and individual level.

- 4.3** The Board shall determine the remuneration of the independent non-executive, executive and non-executive directors on a proposal by the CGC and subject to the approval of the shareholders.

5 BOARD MEETINGS

5.1 Frequency

The Board shall meet as often as necessary, but not less than Four times (4) a year. Meetings shall be scheduled annually in advance according to an annual board calendar.

The Board shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board or two members of the Board.

5.2 Notice and Agenda

Meetings of the Board are called generally by the Chairperson. Save in urgent circumstances, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members at least seven calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairperson shall consult with the CEO and the Company Secretary fifteen days (15) prior to convening the meeting on the content of the agenda. The Chairman may at the request of a Board member add an item on the agenda provided the item is notified to the Chairperson at least ten days (10) prior to the meeting.

5.3 Venue

Board Meetings are generally held at the Company's offices but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

5.4 Attendance and admittance to Board Meetings

5.4.1 Attendance by Senior Management

Members of Senior Management, if requested by the board, shall attend in whole or in part Board meetings.

5.4.2 Alternate Directors

Directors are expected to attend in person all regularly scheduled board meetings. The regular use of alternate directors is discouraged and should be kept to a minimum since they are normally unable to contribute as effectively as other directors to board discussions.

5.4.3 Undue Absence

If a Board member is frequently absent from Board meetings, he/she will be required to explain such absences to the Chairperson.

5.4.4 Attendance by Non-Members

The admission to a meeting of persons other than board members, the CEO, the Company Secretary and (if invited) other Senior management shall be decided by a majority vote of the Board members present at the meeting.

5.5 Chairperson of the Meeting

Board meetings are chaired by the Chairperson of the Board in conformity with S 3.3) of this charter or in his absence by one of the non-executive directors, designated by a majority vote of the Board members present at the meeting.

5.6 Decision making within the Board

5.6.1 Preference for Unanimity

The Board members shall try to unanimously adopt resolutions. However Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

5.6.2 Individual Vote

Each Board member has the right to cast one vote, with such exception(s) as may be provided for in the Constitution or the Shareholders' agreement.

5.6.3 Written consent

Board resolutions may also be adopted in writing, provided the resolutions are submitted and signed by all Board members.

5.6.4 Minutes

Minutes must be drawn up by the Company Secretary for every Board/ Committee Meeting and must be sent to the Chairperson of the respective meeting for vetting within five days of the meeting. The minutes shall afterwards be circulated to all board members / committee members for any corrections or amendments within fifteen days of the meeting. The minutes shall then be signed by the Chairperson as prima facie evidence of the proceedings until its approval at the next Board meeting.

6. ROLE AND RESPONSIBILITIES OF THE BOARD

6.1 The role of the Board is to provide leadership and strategic guidance to the Company and its subsidiary in addition to overseeing management's implementation of BCE's strategic initiatives. When carrying out its role the Board should consider:

(a) The Primary objective of the company which is to continue to build sustainable value for its shareholders.

(b) The expectations of its shareholders, other stakeholders and the community that directors will undertake their responsibilities with honesty, integrity, care and diligence, in accordance with the law and in a manner which reflects the highest standards of good corporate governance.

6.1.1 The Key responsibilities of the Board are as follows:

6.2 Strategy

6.2.1 Approving the strategic objectives of the company and significant corporate strategic initiatives.

6.2.3 Review of Company performance against strategic objectives.

6.3 Control and Risk

6.3.1 Considering and approving the company's overall risk-reward strategy and frameworks for managing all categories of risks, including credit, market, liquidity, equity, reputation and operational. The Board shall review processes and procedures on a regular basis to ensure effectiveness of the Company's internal control systems.

6.3.2 Appointing and determining terms of appointment of the Chief Executive Officer (CEO) and other senior management.

- 6.3.3** Determining the corporate goals and objectives of the CEO and evaluating his/her performance in light of these objectives.
- 6.3.4** Reviewing succession plans for the CEO and senior management.
- 6.3.5** Ensuring that clear lines of responsibility and accountability exist and are enforced in throughout the Company.
- 6.3.6** Ensuring that the company complies with all the relevant laws, regulations and the Code of Corporate Governance.
- 6.3.7** Considering the social, ethical and environmental impact of the company's activities, setting standards and monitoring compliance with the Company's policies and practices.
- 6.3.8** Providing oversight and monitoring of workplace, Health and Safety (WHS) issues in the company and considering appropriate WHS reports and information.

6.4 Financials

- 6.4.1** Approving of the quarterly accounts and ensuring that they have been prepared using the appropriate accounting policies and standards and fairly presents the state of affairs of the Company.
- 6.4.2** Declaring dividends when appropriate and determining the amount and timing of dividend to be paid.
- 6.4.3** Approving the budget at least annually and review of the main investment proposals.
- 6.4.4** Overseeing the Audit and Risks Committee's evaluation of auditor's performance and ongoing independence

7 ROLE AND FUNCTION OF THE CHAIRPERSON

7.1. Election

The Chairperson is elected in accordance with the Constitution of the company and shall be a non-executive director.

7.2. Duties

He/she should be a firm, objective and open-minded leader, assuming his/her role by exercising independence of mind and judgment. The Chairperson is expected to be impartial and objective so as to support or take the right decisions concerning the company.

7.3. Responsibilities

The main responsibilities of a Chairperson can be summarised under the following areas:

7.3.1 Strategy and Management of the Company

- To ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.
- To co-ordinate the Committees to ensure that appropriate policies and procedures are in place for the effective management of the Company
- To ensure that the decisions by the Board are executed.
- To sign the Statement of Compliance to be filed with the Financial Reporting Council along with a director to confirm whether the Company has applied all of the principles set out in the Code of Corporate Governance and explained how these principles have been applied.

7.3.2. Leadership

- To provide overall leadership to the Board, be impartial and resolve differences in the most constructive way, whilst encouraging and ensuring the active participation of all directors in discussions and Board matters.
- To participate in the selection of the board members whilst ensuring that the board has an appropriate mix of competencies, experience, skill and independence.
- To provide support and supervision to the CEO.

7.3.3. Chairing and conducting meetings

- To set the agenda for Board meetings, therefore giving the meetings their direction and scope.
- To chair over the Board meetings and shareholder's meetings of the Company and to ensure the smooth functioning of the meetings.
- To ensure that Board meetings take place regularly and that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions.
- To ensure that each meeting is planned effectively, conducted according to the Constitution and that matters are dealt with in an orderly, efficient manner.
- To ensure that proper minutes are taken and sign the minutes of Board meetings and shareholder's meetings jointly with the Secretary. Minutes which have been signed correct by the Chairperson of the meeting are prima facie evidence of the proceedings.

7.3.4. Relations with the Shareholder

- To act as the Company's leading representative and be the spokesperson at functions and meetings to present the aims and policies of the Company.
- To maintain sound relations with the Company's shareholder and ensuring that the effective communication and disclosures are being carried out.
- To ensure that all directors be made aware of the main concerns of the shareholder and key stakeholders and that their views be communicated to the Board as a whole.

7.3.5. Induction, Development, Succession and Performance Evaluation

- To ensure that newly appointed directors participate in an induction program with the support of the Company Secretary.
- To ensure that the development needs of the directors are identified and appropriate training be provided to continuously update the skills and knowledge of the directors so that they fulfill their role on the Board and its Committees.
- To identify the development needs of the Board as a whole to promote its effectiveness as a team.
- To oversee a formal succession plan for the Board, CEO and certain senior management position, in collaboration with the Corporate Governance Committee.

8 ROLE OF EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS

8.1 Non-Executive and independent directors collectively shall contribute to the development of the strategy, analyse and monitor the performance of management against agreed objectives. Whenever required, they should challenge proposals presented by management and request additional information where they consider that information is necessary to support informed decision-making.

8.2 Non-Executive and independent directors collectively should provide independent judgment in all circumstances.

- 8.3** Non-executive and independent directors individually should inform themselves to a reasonable extent about the subject matter of all decisions they are called upon to make as directors of the Company.
- 8.4** Non-Executive and independent directors are expected to maintain the skills required to discharge their obligations to the Company and to the extent necessary newly appointed directors may request suitable induction courses which would be made available to them, upon request.
- 8.5** All directors are expected to take reasonable steps to satisfy themselves that financial information released to the Shareholders and other stakeholders is accurate and that the Company has adequate and proper financial controls and systems of risk management.
- 8.6** All directors are bound by fiduciary duties and duties of care and skill.
- 8.7** Executive directors must always manage the conflict between their management responsibilities and their fiduciary duties as a director in the best interests of the Company. Additionally, executive directors have the additional responsibility of ensuring that the information laid out before the Board is an accurate and true representation of their understanding of the Company's affairs.

9. ROLE OF COMPANY SECRETARY

9.1. Compliance

- 9.1.1** To ensure that the organisation complies with its constitution, all relevant statutory and regulatory requirements, codes of ethics and procedures established by the Board.
- 9.1.2** To inform Board of all legislations relevant to or affecting meetings of shareholders and directors.
- 9.1.3** To continually review developments in corporate governance.

9.2. Board members - Appointment, Guidance and Development

- 9.2.1** To ensure that procedures for the appointment of directors are properly undertaken.
- 9.2.2** To facilitate the proper induction of directors into their role.
- 9.2.3** To provide the Board as a whole and directors individually with guidance as to their roles and responsibilities, advising and assisting the directors with respect to their duties and responsibilities, in particular compliance with prevailing regulations.
- 9.2.4** To act as a channel of communication and information for non-executive directors.
- 9.2.5** To assist the Chairperson in governance processes such as Board and Committee evaluation.

9.3. Organisation of Meetings of the Company

- 9.3.1** To prepare the agenda of Board, Board Committees and shareholder's meetings in consultation with the Chairperson and the CEO and to circulate the agendas and supporting documents in a timely manner.
- 9.3.2** To ensure that there is a quorum for meetings.

- 9.3.3** To take minutes of Board/Annual meetings and circulate draft minutes to all members within five (5) days and to ensure that minutes of proceedings of Board meetings and meetings of shareholder as well as resolutions of the Board are properly maintained.
- 9.3.4** To ensure that Annual and Special Meetings of Shareholder are held in accordance with the requirements of the Companies Act and the Company's Constitution.
- 9.3.5** To ensure that proxy forms are correctly processed and that the voting process whenever applicable is carried out correctly at meetings of shareholder.

9.4. Communication with the Shareholder

- 9.4.1** To ensure that the shareholder's interests are taken care of and act as a primary point of contact for the shareholder.
- 9.4.2** To communicate with the shareholder and arrange payment of dividends, issuing documentation regarding corporate events being undertaken by the Company such as rights and bonus issues and maintaining good shareholder relations.

10 BOARD COMMITTEES

The Board must establish standing and, from time to time, ad hoc Committees to assist it in carrying out its responsibilities. For each Committee the Board shall adopt a charter setting out its objectives, composition, frequency of meetings, powers and resources, duties and responsibilities, reporting structure and any other relevant matters. The appointment of a Chairperson and of the members of any Board Committee shall be made by the Board.

The roles of Chairperson of Committees shall, as far as it is practical, be well distributed among the directors so that no individual is burdened with too many Committees. It is recommended that, wherever possible, all Board Committees be chaired by a non-executive director and the Chairperson of each Committee shall not normally be the Chairperson of the Board.

Board Committees shall comprise exclusively of Board members. However, non-directors can be invited to attend meetings of the Committees.

The Board has established the following Committees:

- Audit and Risk Committee
- Corporate Governance Committee
- Strategy Committee.

Proceedings of Committees shall be reported to the Board to allow other directors to be informed and seek clarifications from the Committee members, if so desired.

Committees must have timely access to the resource and information necessary for them to fulfill their duties. This will include, inter alia, secretarial and administrative support, as well as resources such as legal advisers and outside specialists. Management and staff shall be advised that they must cooperate with the Committees and supply all information as required in a timely manner.

The Board shall make funds available to the Committees to enable them to seek independent legal, accounting or other advice, as necessary.

The charters and the composition of the committees shall be posted on the company's website.

11 OTHER PROVISIONS

11.1 Conflict of interests

- Transactions between the Company and its directors or shareholder may be sources of conflicts of interest.
- The personal interests of a director, or persons closely associated with the director must not take precedence over those of the Company and its shareholder.
- A director should do his/her best to avoid conflicts of interest or situations where others might reasonably perceive that there might be a conflict of interest.
- A director shall forthwith, after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, disclose same to the Board and cause same to be entered in the interests register.

11.2 Induction Program, On-going Training and Education

11.2.1 Induction Program.

Upon his or her election, each Board member shall participate in an induction program that covers the Company's strategy, its legal affairs, financial reporting by the Company, any specific aspects unique to the company, its business activities, and the responsibilities of a Board member.

11.2.2 Annual Review of Training

The Board shall conduct an annual review to identify areas where the Board members require further training or education.

11.2.3 Costs of Organisation

The Costs of the induction course and training or education shall be paid for by the Company.

11.3 Access to Information

The Board shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

11.4 Confidentiality

11.4.1 Duty to Keep Information Confidential

Unless required to do so by law, no Board member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the organisation and/ or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the organisation and which he/she knows or should know to be of confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the organisation and companies in which the organisation holds a stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

11.4.2 Return of Confidential Information

At the end of each Board member's term of office, he/she shall return all confidential documents in his or her possession to the organisation or guarantee their disposal in a manner that ensures confidentiality is preserved.

11.4.3 Notice of Disclosure

If a Board member intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in term of their content and form are clearly only intended for the Board.

11.5 Amendment

This charter may be amended by the Board at its sole discretion without prior notification.

11.6 Interpretation

In case of uncertainty or difference of opinion on how a provision of this charter should be interpreted, the opinion of the chairperson of the Board shall be decisive.

BUILDING & CIVIL ENGINEERING CO LTD

APPENDIX A- DIRECTOR INDEPENDENCE GUIDELINES

An independent director is a board member who:

- i. has not been an employee of the organization or group within the past three years;
- ii. has not, or has not had within the past three years; a material business relationship with the organization either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the organization;
- iii. has not received or receive additional remuneration from the organization apart from the organization from a director's fee or as a member of the organization's pension scheme.
- iv. is not a nominated director representing a significant shareholder;
- v. does not have close family ties with any of the organization's advisers, directors or senior employees;
- vi. does not have cross-directorships nor significant links with other directors through involvement in other companies or bodies; and
- vii. has not served on the Board for more than nine years from the date of his first election.