



**ADVISORY
BOARD CHARTER**



1. Purpose

This charter sets out the core functions of the Advisory Board (the Board) of Epsilon Publishers Limited (the Company). In addition, it spells out the Board's regulations, the members' roles and duties, and the Board's practice with respect to adhering to the best practice of good corporate governance.

2. Membership

- 2.1 The advisory Board shall constitute a minimum of five (5) members: A non-executive chairperson, Two Board of directors who shall be permanent members, Two non-executive board members, and One board secretary who shall be the general manager and ex-officio member of the Board.

3. The role of the board

The Board's overarching role is to govern the Company (as opposed to being responsible for the execution and management" of the Company's activities). This is to give effect to transparent accountability for the well-being and performance of the Company.

The Board shall:

- 3.1 Establish robust internal control systems for the Company;
- 3.2 Provide oversight of the corporate governance framework for the Management of business operations; 3.3 Establish, where applicable, board committees, policies, and procedures that shall facilitate the most effective discharge of the Board's roles and responsibilities;
- 3.4 Review and approve the Company's annual budget proposed by the management team, including the Company's financial objectives, plans and actions, and significant capital allocations and expenditures;
- 3.5 Facilitate Board accountability through effective board evaluation and succession planning;
- 3.6 Review and approve Management's strategic and business plans so that such strategies and plans promote the sustainability of the Company and ensure that appropriate and effective risk management and internal control processes are in place;
- 3.7 Monitor corporate performance against the strategic business plans, including monitoring operational performance to ensure the integrity of the Company's internal processes;
- 3.8 Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Company's own governing documents;
- 3.9 Provide guidance on establishing appropriate human capital and a remuneration framework.

4. Distilling the role of the Board versus the role of Management

- 4.1 The Board reserves the roles set out in schedule 2 (above) and delegates all other matters to the Management of the Company;
- 4.2 The Board delegates the day-to-day running of the Company to the Managing Director;
- 4.3 The Managing Director reports directly to the Board and must bring to the attention of the Board any significant and/or material changes in the Company;

- 4.4 For good corporate governance, the Management shall be involved in all significant decisions and be accountable to the Board;
- 4.5 All fiduciary responsibility of the Company rests with the permanent members of the Board, that is, the Board of Directors as required by law;
- 4.6 The non-permanent members are not legally bound to the Company, provided they act within the scope and powers vested in them;
- 4.7 The non-permanent members will be held personally liable if they act ultra vires, that is, beyond their powers, for example, if they enter into contracts with the Company in their own capacity and; act out of willful misconduct and willful negligence.

5. The composition of the Board

- 5.1 The Board brings together a mix of skills and competencies critical to effectively overseeing the Management of the Company. This is to ensure that there is a good diversity of skills that is necessary for the Board to effectively discharge its duties;
- 5.2 The Board shall constitute a minimum of five (5) members as follows; two permanent members (the Board of Directors) and three (3) non-permanent members, and a board secretary.

6. Appointment, tenure, and remuneration

- 6.1 The Company shall endeavour to ensure that the members of the Board are independent of each other so that they lend impartially and objectivity advice to the Company;
- 6.2 The non-permanent members shall be appointed by the Board of Directors;
- 6.3 Prior to appointment, the non-permanent members shall be required to declare whether their appointment to the Board will result in a conflict of interest; in subsequent sittings, the members are encouraged to declare at the earliest opportunity any conflict or potential conflict of interest that may have arisen in the course of the member serving on the Board;
- 6.4 The non-permanent members will also be required to satisfy that they can devote sufficient time to the role and be willing to attend the Board meetings in person. Situations in which video conferencing or such remote solutions will be used are set out in schedule seven (7) below;
- 6.5 The membership period for the non-permanent members shall be a maximum of three (3) years from the date of nomination. Under exceptional circumstances, a member may be asked to sit for longer than three years; 6.6 For continuity, on the expiry of the board term, only two members shall be eligible for nomination for a second term. They shall be re-elected by the permanent members;
- 6.7 No member of the Board shall fail to attend three (3) consecutive meetings. If this happens, the member will be asked in writing to vacate their post;
- 6.8 The Chair of the Board and the other members shall be entitled to a sitting allowance, which shall be paid in real-time gross settlement (RTGS) within three (3) working days after the board meeting;
- 6.9 These allowances shall be reviewed every two (2) years.

7. Meetings of the Board

- 7.1 The Board shall meet five (5) times a year, with the 5th meeting being the Annual General Meeting (AGM) or at such times that the Board shall deem it necessary for the smooth running of the Company;
- 7.2 The Secretary shall be required to issue a minimum of one month's notice of the following meeting to every board member via the email addresses provided by the members;
- 7.3 The meetings shall be chaired by the Chairperson, and in their absence, the members present shall nominate one of them to act as the Chairperson;
- 7.4 The quorum for any meeting shall be three;
- 7.5 The Chairperson or any of the permanent members may call for urgent meetings by giving adequate notice to the members of the Board;
- 7.6 In the event of disagreement on any issue during the meetings, the Chairperson may call for a vote, and the resolution passed shall be binding on any dissenting member;
- 7.7 The members shall not be represented by a proxy in any meeting;
- 7.8 The minutes of the meetings shall be circulated to all members via email by the Secretary of the Board at least two (2) weeks prior to the next meeting;
- 7.9 The minutes of the meeting shall be in the custody of the Secretary of the Board;
- 7.10 Video conferencing or other remote conference solutions will be used to hold meetings where a member cannot physically attend a meeting. Such alternatives will only partially substitute the traditional method of holding board meetings. Physical presence during meetings is an integral part of an effective meeting. It will, therefore, remain the primary mode of holding meetings, even if video conferencing is embraced.

8. Access to independent advice

- 8.1 Occasionally, the Board may require a professional opinion from a subject matter expert. In such instances, the Board shall invite the said professional to attend the Board meetings;
- 8.2 Under such circumstances, the Board may also invite senior Management to the meeting to provide extra assistance to the Board as required.

9. Board training and evaluation

- 9.1 Each Board member shall participate in a board induction programme to orient them to the Company's overall structure, strategy, objectives, policies, and culture;
- 9.2 This induction shall also include the familiarisation of this board charter and their role in executing the Board mandate;
- 9.3 The Board shall conduct an annual review exercise, typically at the end of the year, to evaluate the performance of the Board Chair, Managing Director and the other members. The findings of this exercise shall inform the Board of any gaps it needs to fill in the following fiscal year.

10. Role of the Chairperson

The Chairperson and the Managing Director shall not be exercised by the same person. The Chairperson is pivotal in creating the environment for the Board's overall effectiveness, both in and out of the boardroom. The Chairperson shall:

- 10.1 Ensure that the Company operates at the highest threshold of corporate governance;
- 10.2 Provide leadership to the advisory Board for the efficient organisation and conduct of the Board's function and for the briefing of all Board members concerning issues arising at board meetings;
- 10.3 Manage the Board to ensure that sufficient time is allowed for discussion of complex and contentious issues and, where appropriate, to arrange for informal meetings beforehand to enable thorough preparation of the board discussion;
- 10.4 Facilitate the effective contribution of all members and promote constructive and respectful relations among the Board members and the Company management;
- 10.5 Ensure that the Board receives accurate, timely and concise information, especially the Company's performance, to allow the Board to make sound decisions and dispense advice that will enhance the performance of the Company;
- 10.6 Ensure that the performance of board members and of the Board is evaluated at least once a year, and encourage active engagement by all the members of the Board;
- 10.7 Run the Board and set its agenda. The agenda should take into account the issues and concerns of all members. In addition, the agenda should be forward-looking and concrete on strategic matters.

11. Role of the Managing Director

The Managing Director shall:

- 11.1 Meet with the Board on the prescribed notices of the board meetings, with due notice to be discussed and to record its conclusions in discharging duties and responsibilities;
- 11.2 Develop and recommend to the Board the business plans and budgets that support the Company's long-term strategy and vision for the Company that leads to the creation of shareholder value;
- 11.3 Strive to achieve the Company's financial and operational goals and objectives; Ensure that the Board is frequently appraised about the operations of the Company through the presentation of relevant board papers;
- 11.4 Maintain a satisfactory competitive position within its industry and ensure continuous improvement in the quality and value of the products and services provided by the Company;
- 11.5 Design and implement the requisite management information systems to facilitate effective and efficient communication channels within the Company;
- 11.6 Oversee the implementation of fundamental corporate policies;

- 11.7 Run the day-to-day business and implement the policies and strategies adopted by the Board; ensure that the Company has an effective management team below the Managing Director and has an effective plan for its development and succession;
- 11.8 Foster a positive corporate culture that promotes ethical practices, encourages individual integrity and fulfils social responsibility to attract, retain and motivate a diverse group of high-calibre employees at all levels;
- 11.9 Serve as the chief spokesperson for the Company.

12. Other board members

All other members of the Board shall:

- 12.1 Provide entrepreneurial leadership to the Company within a framework of prudent and effective controls, which in turn enable risk to be assessed and managed;
- 12.2 Set the Company's strategic aims and ensure that the necessary financial and human resources are in place for the Company to meet its objectives; review Management's performance and;
- 12.3 Set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met;
- 12.4 Constructively challenge and help to develop proposals on strategy. Scrutinise the performance of Management in meeting agreed-upon goals and objectives and monitoring the reporting of performance;
- 12.5 Satisfy themselves on the integrity of the financial information and ensure that financial controls and systems of risk management are robust;
- 12.6 Owe the Company a duty to hold in confidence all information available to them by virtue of their position as Board members.

13. Code of Conduct

The Company shall adopt a Code of Conduct for all directors, board members, and employees. This shall be reviewed regularly to ensure its provisions remain relevant and robust. The abridged copy of the code of conduct is also published on the Company's website. Epsilon Publishers Limited Advisory Board.

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