

THE BOARD POLICY OF MAX MYANMAR

1. Policy and Procedures

The policies and procedures related to the Board of Directors will be an integral component of Max Myanmar Group and governing the operation of Max Myanmar. The strategic directions will identify, at a minimum, the following elements:

- Vision and mission of the organization
- Values and beliefs which will guide decision-making within Max Myanmar Group
- Strategic business directions
- Specific Initiatives to establish the goals of the organization
- Corporate strategy, including revision, will be made available to the Board of Directors, members, key stakeholders and members of Max Myanmar.
- Key performance indicators will enable Max Myanmar to determine objectively whether Group's business directions have been achieved.

2. Purpose

- a) The Board of Max Myanmar has the fundamental responsibility of providing oversight for the organization's fulfillment of its mission. To this end, the Board sets direction for the committees, provides financial oversight, establishes policies, and support the adequate resources to carry out the operation.
- b) The Board is to provide effective corporate governance for its shareholders and to balance the interests of its diverse stakeholders. In all actions taken by the board, the directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of Max Myanmar Group and to comply with relevant laws, rules and regulations.
- c) The Board is to ensure that the remuneration policy is consistent with the long-term objectives and corporate values of Max Myanmar and to regularly review the group structure to enhance the leadership ensuring the continued ability of Max Myanmar Group to operate effectively.
- d) The Board leads the process for board and senior management appointments and then proceed to identify and nominate for approval of the board.

3. Functions and Responsibility

3.1 The Board's Responsibility

The Board ensures to live up Max Myanmar's commitment to responsible practices. The Board also upholds the Company's value and ensures that the management is accountable to these values. The board also focuses on adopting and reviewing a comprehensive risk management process, establishing and reviewing the system and procedures of control and risk management, adopting policies for organizational arrangements for delegating

authority and responsibility and finally adopting adequate internal practices and procedures which promote ethical and professional standards.

3.2 Accountability

- Protection of shareholder rights
- Adequate transparency and disclosure – financial and non-financial information
- Timely and Accurate Information
- Review and approve the annual financial statements to provide shareholders with a balanced and clear assessment

3.3 Policy Formulation

- Creating vision and values
- Developing corporate climate and culture
- Monitoring the external environment
- Approving policy framework

3.4 Oversight and Control

- Internal control and risk management
- Financial management and reporting
- Internal/External audit
- Compliance
- Oversight and reviewing of Key Performance Indicators regularly

3.5 Strategy and Stewardship

- Strategic thinking by setting up Max Myanmar's direction and risk appetite
- CEO/Executive selection and evaluation
- Succession planning

3.6 Roles and Responsibilities

The Chairman and Directors oversee and direct the management of the business and affairs of the Company in accordance with Myanmar Company Law and as set forth in the Company's By-Laws.

The Executive Chairman's Role

Guided by the Board's strategic objectives, the Executive Chairman will articulate the corporate direction set by the Board. The Chairman provides guidance on the strategic action plans for business development while at the same time ensuring adequate and effective risk management controls are in place. The Executive Chairman takes a leadership to ensure implementation of corporate governance, transparency and proper delegation of duties. He is a motivator and leads the Max Myanmar Group in communicating and demonstrating the Max's corporate values.

The Board Directors' Roles

Directors shall discharge the duties of their positions in good faith, in a manner reasonably believed to be in the best interests of the Company and with such care, skill and diligence,

including reasonable inquiry as a person of ordinary prudence would use under similar circumstances.

The responsibility of the Board of Directors is to supervise and direct the management of the Company. To that end, the role of the Board of Directors (references to the Board include the Committees of the Board, as applicable) shall include, but not be limited to:

- (1) The selection, appointment and regular evaluation of the performance, and approval of the compensation of, the Chief Executive Officer and, with the advice of the Chief Executive Officer, the principal senior executives;
- (2) The development of plans for succession with respect to the position of Chief Executive Officer, and monitoring succession planning for other key executives;
- (3) Oversight of the conduct of the Company's business and evaluation of whether the business is being properly managed;
- (4) Review and, where appropriate, approval of the Company's objectives, plans and actions, including its longer term strategic plans;
- (5) Review of the Company's financial statements;
- (6) Assessment of major risk factors relating to the Company and its performance, and review of measures taken or intended to be taken to address and mitigate such risks; and
- (7) Evaluation of whether appropriate systems and processes are in place to support the effective management of the Company in accordance with applicable legal requirements and the Company's Code of Business Conduct and Ethics.

3.7 Code of Conduct

The members of the Board of Directors for Max Myanmar Group are expected to conduct themselves in a manner that exemplifies their status as leaders and role models for all Max Myanmar subsidiaries. The Board of Directors are expected to act in a manner that recognizes that all staffs are entitled to be treated with respect and dignity.

In order for the Board to be effective, Board members (Directors) will:

- Conduct themselves in a responsible and courteous manner in all affairs when they are representing Max Myanmar;
- Endeavor to attend and participate in all Board and General Meetings and conference calls;
- Not act or make decisions that will benefit them or their own organizations directly without the express written permission of the Board;
- Endeavor to work together respectfully in all Max Myanmar affairs; and,
- Conduct their business in a legal and professional manner.

4. Board Elections

4.1 Identification

The responsibility for the selection of new Directors resides with the Board and shareholders. The identification, screening and recommendation process has been delegated to the related Committees, which reviews candidates for election as Directors, recommends candidates to the Board to fill vacant Board seats and annually recommends a slate of Directors for approval by the Board and election by the shareholders.

4.2 Diversity of the Board

Potential candidates for membership on the Board and Committees of the Board shall not be denied consideration by reason of race, gender, religion, color or ethnicity, nor shall any candidate be approached or selected solely because of any such reason. Max Myanmar has taken and continues to take several steps to promote diversity both at senior management level and in the boardroom. Developing policies and processes that prevent bias in relation to recruitment and promotion form the basis of this. The key to progress lies in ensuring that positive measures are taken by balancing the diversity in succession planning and talent management. Promoting gender diversity in the flexible employment policies to create family friendly working environment.

4.3 Appointments to the Board

1. Selection of Board members shall be based on the following criteria;
 - a) Who possess strong personal and professional ethics, and high standards of integrity and values;
 - b) Who have the proven ability and experience to bring informed, thoughtful and well-considered opinions to corporate management and the Board;
 - c) Who have the competence, maturity and integrity to monitor and evaluate the Company's management, performance and policies;
 - d) Who have the willingness, commitment and availability to devote the necessary time and effort required for service on the Board;
 - e) Who have the capacity to provide additional strength and diversity of view to the Board and its activities;
 - f) Who have the necessary measure of communication skills and self-confidence to ensure ease of participation in Board discussion; and
 - g) Who hold or have held a senior position with a significant business enterprise or a position of senior leadership in an educational, medical, religious, or other non-profit institution or foundation of significance.
2. Any Director who (i) retires from; or (ii) discontinues their active employment with the business or other enterprise with which they were primarily affiliated at the time of their most recent election to the Board; or (iii) incurs a significant change in responsibilities, title or activities since their most recent election to the Board, shall submit their resignation upon the occurrence of any of the aforesaid events. The board will review

the effects of this change upon the interests of the Company and recommend to the Board whether to accept such resignation.

3. It is the responsibility of each Director to advise the Corporate Secretary of any actual or potential conflict of interest, as well as any affiliation with public or privately held enterprises, including for profit and non-profit entities, that may create a potential conflict of interest, embarrassment to the Company or inconsistency with the Company's policies or values.
4. The search for board candidates is conducted and appointments made, on merit, against objective selection criteria, having due regard for the benefits of diversity on the board, including gender. The Nomination Committee works with the Board to determine the appropriate qualification, skills and experience for the Board.

5. Power and Authority

1. The Board reserves the authority to deal with the following matters;
 - Approval of authorities and powers delegated to the board and management committees and senior management executives
 - Approval of the annual budget and specific approval of capital expenditure, investments and disposals
 - Decisions on the organization structure of Group and subsidiaries of Max Myanmar
 - Approval of the financial reports and accounting policies and practices
 - Appointment of committees of the board and management with terms of references as necessary
 - Approval and review of the related implementation processes of corporate governance across Max Myanmar Group
 - **Remuneration** – to consider matters relating to executive reward, including policy for executive directors and top and senior managers' remuneration and their annual individual remuneration awards. The committee may also review strategic HR issues including employee retention, motivation and commitment and succession planning for top and senior manager position.
 - **Nomination** – to be responsible for considering matters relating to the composition of the board, including the appointment of new directors, making recommendations to the Chairman as appropriate. The committee reviews succession plans for the chairperson, MD and other key board positions. This review might also review corporate governance arrangements and oversee the annual performance evaluation of the board, its committee and the individual directors.
2. The Board of Directors may form one or more committees or sub-committees for specific purposes including;
 - Management Committee

- Finance Committee
- Investment Committee
- IT Committee
- Audit Committee
- Nominating Committee
- Remuneration Committee
- Legal, Risk and Compliance Committee
- Purchasing Sub-Committee

6. Board Members

- a) The Board shall have not less than 5 and no more than 12 members including the Chairman of the Board and the Chief Executive Officer who shall be appointed by the Board
- b) The Board shall comprise of executive and non-executive directors with at least representation of 2 independent non-executive directors
- c) The Chairman of Max Myanmar Group shall be the Chairman of the Board meeting
- d) The Secretary to the board shall be a senior staff member from the corporate department
- e) The Board shall have full power and authority to retain the services of such advisors and experts, including counsel, as the Board deems necessary or appropriate with respect to specific matters within its purview.

7. Board Meetings

7.1 Scheduling of meetings

The Chairman, in consultation with other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects at least five board meetings per year at appropriate intervals are generally desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. A special meeting of the Board may be called at any time by Chairman, CEO, and the Lead Director or by members of the Board of Directors constituting no less than a majority of the total number of independent Directors then in office.

7.2 Agenda

The Chairman and Chief Executive Officer, in conjunction with the Lead Director, shall establish the agenda for each Board meeting. Each Director shall be entitled to suggest the inclusion of items on the agenda, request the presence of any member of the Company's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting. Subject to reasonable exception, Directors shall be advised of significant agenda items and shall be furnished with appropriate supporting materials, including minutes of Board and Committee meetings, in advance of meetings of the Board and Committees of the Board.

7.3 Management Presentations

Management shall make presentations to the Board on the performance, operations, strategies, decisions to be made and significant activities of the Company.

7.4 Minutes of Meetings of the Board

The formal minutes of Board Meetings will be distributed to all Board members within one week of conclusion of the meeting.

8. Director Induction and Development

Under MaxOne Executive Training Program, with the title of “From Strategy to Execution”, Max Leadership Retreat program was offered to top executives of Max Myanmar in accordance with Max Myanmar’s vision and mission. Our intention is that all directors have familiarity with and appropriate knowledge of Max Myanmar and gain access to operations and employees. The board ensures that the company provides the necessary resources to allow this to happen. We take various steps to ensure that all of our directors continually refresh their knowledge and skills so that they can effectively achieve their roles on our board and its committees and so that their contributions remain informed and relevant.

9. Annual General Meeting

Annual General Meeting is an important part of effective communication with shareholders. Annual General Meeting of Max Myanmar Group will be held once a year at suitable locations in Yangon. Notice is normally sent to stakeholders beforehand. At the Annual General Meeting, we propose separate resolutions on each substantially separate issue.