



## DAGON INTERNATIONAL LTD

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### CORPORATE GOVERNANCE POLICIES, PRINCIPLES & GUIDELINES

#### *DAGON INTERNATIONAL LTD's Board and its responsibilities*

Board of Directors comprises Directors, Executive Directors and Independent Directors. Board of Directors must meet at least once in every four-month time. Board of Directors set the policies, strategies and is responsible for sustainable growth, sustainable development and continual prosperity and improvement of DAGON INTERNATIONAL LTD.

BOD is headed and presided over by Chairman who is appointed by Shareholders. Managing Director serves as the Secretary to the Board. Board of Directors may appoint a Vice Chairman or Vice Chairmen by selecting a member or members or non-members of the Board. If so Vice Chairman (or Vice Chairmen) is (are) appointed, he (they) will be responsible only for advisory and honorary purpose. Board Committees are formed by the approval of Board of Directors on the proposal made by Chairman and Managing Director.

The Board of Directors of DAGON INTERNATIONAL LTD is to ensure and to be responsible for the following matters:

1. strategic guidance for DAGON INTERNATIONAL LTD
2. effective monitoring of business plans, directions and business policies
3. sustainable business growth and development
4. shareholders' profitability and benefit in the long term
5. effective and efficient Good Corporate Governance System
6. matters as mentioned in Company law, other laws, rules and matters as mentioned in DAGON INTERNATIONAL LTD's MOA and AOA

#### Role of the Board of Directors

Three important institutions have direct responsibility for shaping the future of DAGON INTERNATIONAL LTD; its shareholders (usually acting in annual general meetings), the Board of directors and the DAGON INTERNATIONAL LTD's executive management and staff members. The shareholders appoint the Board and control the DAGON INTERNATIONAL LTD's constitution- the Memorandum and Articles of Association. Executive management and staff utilize and optimize the resources of DAGON



INTERNATIONAL LTD in pursuit of its strategic objectives and in compliance with the policies determined by the Board to achieve the goals.

Between the shareholders and management stands the Board of Directors.

The Board of DAGON INTERNATIONAL LTD takes collective responsibility for:

1. Reviewing and determining the Group's strategic objectives.
2. Determining the Group's key policies
3. Determining the Group's values and standards
4. Establishing the framework of controls which enable risk to be assessed and managed
5. Establishing the culture of DAGON INTERNATIONAL LTD
6. Ensuring that the necessary human and financial resources are in place
7. Monitoring progress towards the achievement of objectives and compliance with policies, values and standards
8. Giving an account of the Group's activities to its stakeholders.

#### CORPORATE GOVERNANCE POLICIES, PRINCIPLES & GUIDELINES

The main components of these responsibilities are:

##### *Strategy*

- Reviewing and determining the business activities in which the Group should engage
- Ensuring that the Group has adequate long-term objectives and strategies, expressed in both physical and financial terms
- In reviewing and carrying out its obligations to the Group, considering in the context of its corporate and social responsibility(CSR)on the necessary balance between the interests of shareholders, employees, customers, suppliers, creditors and the community. Ensuring that the Group policies are clearly understood by these stakeholders and support the achievement of its strategic objectives
- Ensuring that the Group reviews its business plans in the wider context of the current and likely local, national and international environment and with adequate intelligence as the activities of its major competitors and developments in technology
- Approving the budgets presented by management and ensuring that they are compatible with short-term and long-term objectives
- Determining the extent and priority of the Group's investment in relation to the opportunities and threats ahead, having regard to the resources available
- Approving specific major investments and policy proposals
- Deciding on dividend policy



#### Appointing senior management

- Selecting the CEO, CFO, COO and/or other senior positions, determining the terms of their contracts
- Ensuring the adequacy of the Group's management structure and resources for specific and general tasks. The planning of senior management motivation, remuneration, development, recruitment and succession.

#### Monitoring

- Ensuring the Group's information systems are relevant and adequate to monitor performance at a business level and sufficient for Board and management performance review and decision purposes
- Reviewing the Group's financial position, liquidity and solvency
- Monitoring management performance against strategic objectives and compliance with strategic policies and initiating appropriate corrective action if failures are revealed
- Reviewing the effectiveness of the system of internal controls for reporting, risk assessment, compliance and regulatory purposes.

#### Accountability

- Ensuring effective communication with shareholders and the Group's identification with their interests
- Ensuring that the Group complies with its legal obligations and maintains an appropriate level of transparency about its business.

### ROLE STATEMENT CHAIRMAN OF THE BOARD

Responsibilities:

To lead the DAGON INTERNATIONAL LTD's Board, set its agenda and ensure its effectiveness.

To conduct Board meetings and general meetings.

To ensure the membership of the Board has the right balance of skills and experience to support the needs of the business in determining the necessary strategies and policies to maximize its opportunities for successful business development and profit growth which enhance share performance relative to competitors and the industry.

To lead the Board in ensuring that a coherent strategic plan or framework is agreed by the Board which is supported by detailed annual business plans, budgets and action plans for the major subsidiaries.

To ensure that appropriate and related objectives are established for the executive directors of the DAGON INTERNATIONAL LTD.



To ensure that the Board receives accurate, timely and clear information and the DAGON INTERNATIONAL LTD has the necessary processes to prepare strategic and business plans and report progress on strategic operational and business objectives.

To facilitate the effective contribution of non-executive directors.

To ensure Board Committees carry out their appropriate duties and report to the Board.

To ensure that the performance of individual directors and of the Board as a whole and its committees are evaluated at least once a year.

To review with the Managing Director the overall management performance of the DAGON INTERNATIONAL LTD, the Group and its key executives providing advice and counsel to ensure the highest standards of management performance are achieved.

To generally support the Managing Director by acting as confidant, adviser and mentor as requested and ensuring effective liaison and continuity of communication on developments occurring between formal Board meetings.

To ensure effective communication with shareholders.

To act and represent DAGON INTERNATIONAL LTD in dealing with Government, Legislature and other important institutions of Myanmar and of other countries

### **ROLE STATEMENT Managing Director**

Managing Director is appointed by Shareholder's meeting. Managing Director is responsible for overall management of all the matters in consultation and coordination with Executive Directors. Managing Director acts in the interest of shareholders and represents and reports to Chairman and Board of Directors.

Responsible for:

The Board

Responsibilities

1. To accept the key accountability for the performance of the Group.
2. To accept responsibility for the executive management of the DAGON INTERNATIONAL LTD and to lead the fulltime management in meeting the objectives agreed on an annual and continuing basis.
3. To establish appropriate and related objectives for the executive directors of the DAGON INTERNATIONAL LTD.



4. To prepare an outline strategic plan for the business having regard to the requirements of shareholders, stakeholders and investors taking full account of business threats and opportunities and the relative competitor comparison for discussion and agreement at the Board.
5. To prepare a detailed business plan for the DAGON INTERNATIONAL LTD and its major operating subsidiaries that sets out the principal objectives to be achieved in meeting an agreed annual profit plan or budgets and related financial objectives- profits, cash, borrowings, earnings per share objectives or other performance measures agreed.
6. To ensure that there is an adequate reporting process which monitors the performance of the DAGON INTERNATIONAL LTD and its main subsidiaries on a monthly basis to enable appropriate corrective and other actions to be taken on a timely basis.
7. To monitor and review progress on the strategic plan on a quarterly or six-monthly basis as is appropriated.
8. To review the organizational framework and to ensure that policies relating to management selection, performance review, development and de-selection are operated on an agreed and consistent basis having regard to the need to motivate managers and ensure the DAGON INTERNATIONAL LTD operates in the upper quartile of management effectiveness and make recommendations for change as appropriate to the Board.
9. To liaise with the Chairman as appropriate on issues which related to the Board and to keep the Chairman informed on all material matters relative to the performance of the DAGON INTERNATIONAL LTD and its strategic and market circumstances.
10. To ensure adequate standards of financial management and control taking account of the required standards of corporate governance and the particular requirements in relation to business risk management and processes.
11. To finalize and effectively monitor risk assessment processes within the businesses and those relating to investment policies and ensure compliance with procedures.
12. To ensure compliance with legal and regulatory requirements, and ensure that there are appropriate processes in place for communication with regulators.
13. To represent the DAGON INTERNATIONAL LTD as required in the industry and business Community To act and represent DAGON INTERNATIONAL LTD in dealing with Government, Legislature and other important institutions of Myanmar and of other countries .
14. To ensure that DAGON INTERNATIONAL LTD has adequate plans and processes for communication with its stakeholder groups.

#### **ROLE STATEMENT Executive Director**

Executive Directors must meet at least once in every two-month time. Executive Directors implement the business matters under the guidance of Chairman, under the leadership and close supervision of the Managing Director for achieving the vision, mission and goals of DAGON INTERNATIONAL LTD.



Executive Directors strive for continual prosperity, profitability and future-oriented long term benefits for DAGON INTERNATIONAL LTD.

Executive Directors set guidelines and manage the Corporate Departments, Divisions and operational Corporate Units by coordinating with Managing Director. Executive Directors undertake the Good Corporate Governance within DAGON INTERNATIONAL LTD, exercise the Business Ethics and ensure Corporate Social Responsibility.