



**PROMOTION  
AND  
DEVELOPMENT**

**REMUNERATION,  
CORPORATE GOVERNANCE  
AND  
ETHICS  
COMMITTEE CHARTER**

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## 1. OBJECTIVES

The Remuneration, Corporate Governance and Ethics Committee (“Committee” or “RCGEC”) of Promotion and Development Ltd (“PaD”) has been set up to assist the Board of PaD (“Board”) in the discharge of its duties relating to all remuneration aspects, to corporate governance matters and nomination of directors and senior executives of PaD. The Committee shall also review the Code of Ethics of PaD and its subsidiaries (collectively the “Group”).

This Charter is posted on the organisation’s website.

## 2. COMPOSITION

- 2.1. The Committee shall consist of at least three members, the majority of whom shall be non-executive directors.
- 2.2. The Chief Executive Officer /Managing Director may be a member of the Committee.
- 2.3. The Chairperson and the members of the Committee shall be appointed by the Board. The Chairperson shall be an independent non-executive Director of the Board.
- 2.4. The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.

## 3. MEETINGS

- 3.1. Meetings of the Committee shall be held as the Committee deems appropriate. However, the Committee shall meet at least twice annually. The Chairperson or any member of the Committee may call a meeting at any other time.
- 3.2. The Company Secretary shall act as the Committee Secretary.
- 3.3. The quorum necessary for the transaction of business shall be 3 members.
- 3.4. The Chairperson of the Committee may in case of absence designate an alternate. In case of absence of the Chairperson and where no alternate has been designated, an independent non-executive member of the Committee shall chair the meeting.
- 3.5. The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3.6. Once approved, minutes should be circulated to all other members of the board unless in the opinion of the Committee chairperson, it would be inappropriate to do so. Where minutes are not available for circulation, the Chairperson of the Committee should report at the Board meeting and inform Board members of all matters discussed and decisions taken at the Committee meeting.
- 3.7. All decisions shall be taken on a majority of votes. In case a majority cannot be obtained, the Chairperson will have a casting vote.

## 4. ROLES AND RESPONSIBILITIES

### 4.1. Appointment

- 4.1.1 Establishes formal, clear and transparent selection criteria for prospective directors and evaluation of current directors' performance in case of reappointment.
- 4.1.2 Identifies and recommends suitable candidates for the Board and other Committees of the Company and its subsidiaries and ascertains whether the potential new Directors and senior officers are fit and proper and are not disqualified from being directors.
- 4.1.3 Ensures that an induction programme is provided to the new directors of PaD and its subsidiaries so that Board members understand their roles, duties and responsibilities and what is expected from them in particular.

### 4.2. Board Evaluation

- 4.2.1 Assesses the effectiveness of the Board and directs the process of renewing and replacing Board members.
- 4.2.2 Regularly reviews the Board structure, size and composition so as to achieve an appropriate balance of skills and expertise taking into account the Board recommendations regarding a majority of independent non-executive directors, and having in mind the necessary mix of existing and new members.
- 4.2.3 Conducts the Board evaluation on a regular basis.

### 4.3. Remuneration

- 4.3.1 The Committee shall set and develop the Group's general policy concerning the remuneration of directors and shall conduct reviews of their performance, remuneration and attendance at meetings.
- 4.3.2 Determines any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities.
- 4.3.3 Makes recommendations to the Board regarding the use of incentive plans and equity based remuneration for executive directors.
- 4.3.4 Regularly reviews the directors' performance and remuneration, including those of the Board Committee Members, taking into account the responsibilities and the workload.
- 4.3.5 Defines where appropriate, the revision of fees of non-executive and independent directors to be recommended to the shareholders at the Meeting of Shareholders.
- 4.3.6 The Committee shall co-ordinate its activities with the Chairperson of the Board and/or the Chief Executive Officer as well as consult them in formulating the Committee's remuneration policy and when determining specific remuneration packages.
- 4.3.7 No member of the Committee can be involved or vote on Committee decisions in regard to his/her remuneration.

### 4.4. Succession Planning

- 4.4.1 Sets a formal succession plan for both executive and non-executive directors and reviews the succession plan on a regular basis.
- 4.4.2 Review the plan of succession of the senior executives, including a scenario of emergency, and the list of talents of the Company.

#### 4.5. Corporate Governance

- 4.5.1 The Committee will have due regard for the principles of governance and codes of best practice.
- 4.5.2 Determines and develops the Group's general policy on corporate governance in accordance with the applicable Code of Corporate Governance.
- 4.5.3 Ensures that no material conflict of interest exists/arises in conducting business.
- 4.5.4 The Committee shall be responsible for the preparation of the corporate governance report to be published in the Company's annual report.
- 4.5.5 Ensures that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance ("Code").
- 4.5.6 In case of non-compliance with any requirement of the Code, the Committee shall make sure that appropriate explanations are given in the Statement of Compliance.

#### 4.6. Code of Ethics

The Committee shall update from time to time, and as necessary, the PaD Code of Ethics and shall oversee that compliance to this Code is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the Group business units at large, and that its core principles are embedded in the Group Corporate Culture.

4.6.1 The responsibility of the Committee will include:

- Reviewing any statements on ethical standards and assisting in developing such standards.
- Identification of any violations of ethical conduct.
- Compliance of the different subsidiaries of PaD with the requirements of their respective constitutions and compliance with the laws and regulations of any applicable statute and controlling bodies.

### 5. RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

#### 5.1. Shareholders

The Committee shall ensure that Shareholders are informed of material events affecting the Company which could have an impact on the share price of the Company. Shareholders should be encouraged to attend all Meeting of Shareholders and the Committee Members should also be present at the meetings of shareholders and more particularly must be present at the Annual meeting of shareholders.

Any special business item should be included in the notice of meeting of shareholders and should be accompanied by a full explanation of the justification and of the effects of the proposed resolution.

The Committee should ensure that a brief presentation of each director standing for election or re-election be made to the shareholders at the Meetings of Shareholders. There should be a clearly defined and transparent procedure for shareholders to recommend potential candidates as directors of the Company.

## 5.2. Other Stakeholders

The Committee shall ensure that the Company's policies and values are communicated to all stakeholders in order to build a mutually beneficial relationship. Safety, health and environment policies shall be implemented in accordance with existing legislative framework therefore aiming for best practice in line with the Company's corporate values and long term objectives.

The Committee must ensure that a suitable correct balance is maintained between the interests of stakeholders and that of the Company.

## 6. REMUNERATION

Having regard to the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board. Such special remuneration shall be in addition to the annual fees payable to directors.

The chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board

## 7. OTHER PROVISIONS

### 7.1. Professional advice

The Board has an agreed procedure whereby members of the Committee are able to seek independent professional advice, should the need arise. The professional services procured will be at the Company's expense and prior approval of the Chairperson is required.

### 7.2. Access to information

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

### 7.3. Reporting

The Chairperson of the RCGEC shall report to the Board in a timely manner on the main issues that could have an impact on the affairs or reputation of the Group.