

## **MONTIDA POULTRY LTD BOARD OF DIRECTORS AUTHORIZATION CHARTER**

### **OBJECTIVE**

The Board oversees the conduct of the organisation's business by management and review of the organisation's financial objectives and major corporate plans, strategies and actions. The Board of Directors exercise leadership, enterprise, integrity and judgment in directing the organisation, so as to promote the best interests of shareholders in terms of corporate governance, fiduciary responsibilities, compliance with applicable laws and regulations, and maintenance of accounting, financial or other controls.

### **AUTHORITY**

The Board of Directors is the ultimate decision-making body of the organisation except for matters reserved for the shareholders of the organisation. Consistent with the Board's power to delegate management of the day-to-day operation of the corporation's business, the Board shall exercise business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions. In addition, directors shall have complete access to the corporation's senior management.

### **COMMUNICATIONS/REPORTING**

The Board will establish appropriate committees such as a Corporate Governance Committee and an Audit and Risk Management Committees. These committees will report directly to the Board of Directors regarding committee activities, issues and related recommendations. The charters of each committee will be reviewed periodically with a view to delegating committees with the authority of the board. Such authority will be set forth in board resolutions or bylaws pertaining to the charters of the board committees.

### **RESPONSIBILITIES**

The Board's specific responsibilities in carrying out its oversight role are delineated in the Board Authorization Charter Checklist (Annex 1). The responsibilities checklist will be updated annually to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. The most recently updated responsibilities checklist will be considered to be an addendum to this charter.

The Board of Directors will provide continuity for the organization by representing the organization's point of view through interpretation of its products and services, and advocacy for them. The Board will govern the organization by board policies and objectives, formulated and agreed upon by the chief executive and employees. The Board will acquire sufficient resources for the organization's operations and to finance the products and services adequately. The Board will be accountable various stakeholders as required under the National Code of Corporate Governance (2016).

## MONTIDA POULTRY LTD

### BOARD OF DIRECTORS AUTHORIZATION CHARTER CHECKLIST

WHEN PERFORMED

		QTR1	QTR2	QTR3	QTR4	A/N*
1.	Determine/update the organisation's mission and purpose. The Board will determine the purpose and values, determine the strategy to achieve its purpose and to implement values.					X
2.	Ensure effective organizational planning. The Board should exercise leadership, enterprise, integrity and judgment in directing the organisation so as to achieve continuing prosperity for the organisation.					X
3.	Determine and monitor the organisation programs and services. The Board will monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans.	X	X	X	X	
4.	Approve annual objectives. The Board is responsible for approving the annual objectives of the organisation.				X	
5.	Ensure that management has identified and prioritized the principal risks the company faces, indicate the likelihood that they will actually occur, and estimate their potential cost versus the cost of preventing them. The Board should meet with management on a regular basis to discuss and evaluate such risks.					X
6.	Ensure that management has developed processes to identify major risks and has developed plans to deal with such risks. Such processes should be reviewed and approved by the Board. The Board should monitor the implementation of the risk reducing processes and evaluate them on a regular basis.					X
7.	Select the chief executive of the organisation. The Board is responsible for the selection and where appropriate replacement of the Chief Executive Officer.					X
8.	Support the executive and review his or her performance. The Board is responsible for evaluating the Chief Executive Officer and Chief Financial Officer on his or her performance.	X	X	X	X	
9.	Review and approve key executives compensation plan, including salary, bonuses, share compensation and fringe benefits. Additionally, review key executives travel and entertainment expenses.					X
10.	Approve 1,3 & 5 year budgets.					X
11.	Periodically review actual results vs. budget and investigate unusual items.					X
12.	Approve guidelines for authorization of expenditures established by management					X
13.	Approve major expenditures outside authorized budget. The board shall exercise business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions, and management will periodically review this.					X
14.	Review results of Corporate Governance committee, audit and Risk Management committee.	X		X		
15.	In preparation for meetings of the board and its committees, the Chairman will consult with the CEO regarding the agenda and content.	X	X	X	X	
16.	Directors will be alert to potential board candidates with appropriate skills and characteristics and communicate information regarding board selection matters to the appropriate committee.					X
17.	Review and update the Board of Directors Authorization Charter checklist annually.				X	
18.	Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers of directors, or affiliates of officers or directors, or transactions that are not a normal part of the organisation's business.					X

\* As Needed

## BOD Authority Matrix

The purpose of this document is to assist the board with visibility into key areas/transactions and perceived risks. The thresholds for the identified areas will depend upon unique characteristics of the organization being governed.

The matrix below is a recommended format to develop agreed upon Board of Directors (BOD) authority regarding specific attributes of corporate governance. In no way is the complete list of responsibilities as the matrix represents a sample for guideline and discussion purposes.

The BOD Authority Matrix should to be determined with your board and legal counsel and will vary widely based on the board members style, outside legal advice, and current company financial position/risk.

The process will produce board visibility & absolute authority requirements. Consideration of board authority should be managed with a company need to operate with agility with in their current risk profile.

### BOARD OF DIRECTORS AUTHORITY MATRIX

Category	Descriptions/Examples	Scope/Considerations
Operating Obligations	<p><b>Reduction in force</b></p> <p>[All non-performance based force reductions - reductions &gt; than 10% of total work force]</p> <p><b>Tax restructuring</b></p> <p>[All proposed restructurings - restructurings which change effective tax rate by &gt; 3%]</p> <p><b>Significant vendors contracts</b></p> <p>[Top 10 - Relationships &gt; 15% of total operating/procurement expenditures]</p> <p><b>Significant customer contracts</b></p> <p>[Top 10 - Deals &gt; 10% of revenue or negatively impact gross margin by 2%, EPS change of 10%]</p> <p><b>Significant partner contracts</b></p> <p>[EPS possible impact of 10%]</p>	<p>➤ Rs _____ MM, X% of EPS, X% of net income, X% of operating expenses</p>
Executive Compensation	<p><b>Key executive contracts, salary, bonuses, fringe benefits, stock-based compensation, reimbursable expenses.</b></p> <p>[All C level executives - Key executives/directors determined by Board - Review of compensation, benefits &amp; audit/summary of expenses annually]</p>	CEO, CFO, CIO & COO
Related Party	<p><b>Significant transactions with affiliated companies, executives, and executives' family members</b></p> <p>[All related party transactions reported - Related party transactions with key executives/directors/board members &gt; \$50k]</p>	>Rs _____ MM
Investments	<p><b>Derivatives &amp; hedging transactions, investment strategy &amp; policy</b></p> <p>[Investment policy updated annually, transactions</p>	➤ Rs _____ MM

Category	Descriptions/Examples	Scope/Considerations
	with possible EPS impact of 10% - 10% of projected operating/investment or below ROI limit/requirements]	
Capital Expenditures	<p><b>Significant system implementation, Disposal and acquisition of major PP &amp; E (building and lease commitments)</b></p> <p>[Expenditures/adjustments with impact &gt;10% of capital budget/plan - with possible EPS impact of &gt; 10%]</p>	>Rs_____MM
Mergers and Acquisitions	<p><b>New product lines, new company acquisitions</b></p> <p>[all new products and acquisitions - those that may impact EPS &gt; 10%]</p>	>Rs_____MM
Expenditures	<p><b>Payout for any single expenditure, regardless of the nature of the expenditure.</b></p> <p>[Single expenditure/extraordinary/other &gt; 10% of operating expenditure budget/plan, which may impact EPS &gt; 10%]</p>	>Rs_____MM or X% of EPS, X% of net income, X% of operating expenses