



Corporate Governance Manual

Adopted as of 24 June 2022

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1. INTRODUCTION

The purpose of First Myanmar Investment Company Limited (“**FMI**” or “**Company**”) Corporate Governance Policy Manual (or “**Manual**”) is to summarize the key corporate governance policies and terms of reference (the “**Policies**”) of First Myanmar Investment Company Limited.

FMI defines corporate governance as a set of structures and processes that provide strategic direction and oversight control of the Company. It includes the relationships between the Company’s shareholders, Board of Directors, and executive bodies for the purpose of creating long-term shareholder value.

The corporate governance framework of FMI is broadly based on the principles of:

Accountability – These Policies establish FMI’s accountability to shareholders and guide the Company’s Board of Directors in setting strategy and guiding and monitoring Company management.

Fairness – FMI protects shareholder rights and ensures the equitable treatment of all shareholders, including minority shareholders. All shareholders are to be granted effective redress for violation of their rights through the Board.

Transparency – FMI ensures that timely and accurate disclosure is made on all material matters regarding the Company, including financial situation, performance, share ownership and governance, in a manner easily accessible to interested parties.

Responsibility – FMI recognizes the rights of other stakeholders as established by laws and regulations; and encourages cooperation between the Company and stakeholders in creating sustainable and financially sound enterprises.

This Manual has been developed in adherence with:

1. The Myanmar Companies Law 2017; and
2. The Company Constitution

The Board of Directors of FMI (the “**Board**”) will ensure these Policies are adhered to throughout the Company. Further, the Board will review and update these Policies as needed. Any changes to these Policies must be approved by the Board. The provisions in this Manual will be applied as possible and practically allowed within the current legal constraints of Myanmar law and during the transition towards the new legal framework.

By adopting these Policies, FMI confirms its ongoing commitment to strong corporate governance.

2. TERMS OF REFERENCE FOR BOARD OF DIRECTORS

2.1 COMPOSITION

The Board shall have a strong independent element on the Board, with Non-Executive Directors making up at least two-thirds of the Board and there shall be one independent director at all times.

Board members, who sit on multiple boards, shall also dedicate sufficient time and attention to the affairs of the Company.

The Board may consider a director “independent” if he/she:

- (a) is not, and has not, been employed by the Company or any of its related body corporate¹ for the current or any of the past three (3) financial years;
- (b) does not have family member² who is currently employed or has been employed in any of the past three (3) financial years by the Company or its related body corporate;
- (c) has not served for an aggregate period of more than twelve (12) years on the Board (from the date of his or her first appointment);
- (d) is not a shareholder holding 5% or more shares directly, or indirectly through any related body corporate of the Company;
- (e) is and was not a shareholder holding 5% or more shares of any organization to which the Company and any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services, in the current or immediate past financial year;
- (f) does not receive, and has not received, any remuneration from the Company or any of its subsidiaries for the current or immediate past financial year, other than the compensation for his/her services as a Director; and
- (g) a director who is not an executive officer³ in other companies which have material pecuniary relationships with the company, of which the threshold of “material” shall be MMK 250 million per financial year.

The Board shall examine its size from time to time to determine its effectiveness and decide on what it considers appropriate for the Company to facilitate effective decision-making. At minimum, the number of Directors must not be less than five (5) and not more than twelve (12).

The Board may delegate the authority to make decisions to any board committee with clear written terms of reference setting out their composition, authorities, and duties but without abdicating its responsibility.

The Board shall examine its size from time to time to determine its effectiveness and decide on what it considers appropriate for the Company to facilitate effective decision-making.

¹ “related body corporate” shall have the same definition used in the Myanmar Companies Law

² “family member” shall have the same definition used in The Securities and Exchange Commission’s Instruction No. 3/2020 at Section 3(g).

³ “executive officer” shall have the same definition used in SECM’s Instruction No. 3/2020 at Section 3(f).

The Board and its Board Committees shall comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, and knowledge of the Company, and also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

All Directors shall submit themselves for re-nomination and re-appointment at regular intervals and at least once every three (3) years in accordance with the provisions of the constitution of the Company.

No independent directors shall serve on the Board beyond twelve (12) years from the date of his/her first appointment.

A member shall automatically cease to be a member of the Board if he is removed/ disqualified under the provisions of the Myanmar Companies Law, or if he resigns/ retires/ is not re-elected as a Board member.

The Board shall fill any vacancy within three (3) months of the vacancy of an independent director or in the event the number of Directors falls below the minimum number of five (5).

2.2 PROCEDURES GOVERNING MEETINGS

QUORUM

The quorum of the Board meeting shall be majority of the members, and unless the Directors otherwise determine.

REQUISITION OF MEETINGS

The Board may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit. At any time, any member may summon a meeting of the members by issuing at least seven (7) days' notice in writing (exclusive both of the day on which notice is served or deemed to be served and the day for which the notice is given) to each and every member. The meeting agenda shall be circulated to all members in the same notice. The expression "in writing" includes those in the form sent out by mail, telefax, telex, cable, electronic mail or telegram by any such member.

The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. At least four (4) meetings shall be held in a financial year.

CONDUCT OF MEETING

The Board shall procure that a qualified person be appointed to organize its meetings, coordinate production of papers and keep minutes of proceedings. The Chairman of the Board shall preside at each meeting. If the Chairman of the Board is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of the members to be Chairman of the meeting.

All recommendations of the Board shall be decided by a majority of votes of the members present, with the Chairman of the meeting having a second or casting vote in event of an equality of votes.

PARTICIPATION VIA COMMUNICATION EQUIPMENT

The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by one another, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

RESOLUTIONS IN WRITING

A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at a Board meeting and may consist of several documents in the like form, each signed by one (1) or more members. The expressions “in writing” and “signed” include approval by telefax, telex, cable, electronic mail, telegram, or any other form of electronic communication by any such member.

DEBARRED FROM VOTING

A member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly or as prescribed under the Myanmar Companies Law or directives issued by the Securities and Exchange Commission (“**SECM**”), the Yangon Stock Exchange (the “**YSX**”) or the Directorate of Investment and Company Administration (“**DICA**”) and the Company’s RPT Policy (as defined in 2.3(k)).

2.3 DUTIES AND FUNCTIONS

The duties and responsibilities of the Board include:

- (a) to provide entrepreneurial leadership, and review and guide corporate strategies, annual budgets and business plans giving consideration to long-term sustainable business growth;
- (b) to set the Company’s vision, mission, goals, values, standards, strategies, policies and practices (including ethical standards), and to ensure that obligations to shareholders and other stakeholders are understood and met;
- (c) to set strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- (d) to establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets;
- (e) to oversee the internal control system including risk management policies and procedures to monitor and manage potential conflicts of interest;
- (f) to ensure the integrity of the Company’s accounting and financial reporting systems are compliant with the law and relevant standards;
- (g) to review the Management’s performance annually;
- (h) to identify the key stakeholder groups and recognizing that their perceptions affect the Company’s reputation; and to oversee the process of communications to engage with stakeholders;
- (i) to consider sustainability issues, such as environmental and social factors, as part of its strategic formulation;

- (j) to promote a high standard of corporate governance by ensuring timely and accurate disclosure on all material events regarding the Company;
- (k) to adopt a policy on the materiality of related party transactions (the “RPT Policy”);
- (l) to ensure that all RPTs and Material RPTs are handled in a sound and prudent manner, with integrity and at arm’s length and are reasonable in the circumstances, and in compliance with applicable laws and regulations to protect the interests of company’s shareholders and other stakeholders;
- (m) to ensure that all Material RPTs be disclosed in a timely manner and be approved by the Board and any director of the Board who has a potential interest in the concerned RPT shall abstain from voting on the approval.
- (n) to strategize sound succession planning programmes for Directors and the Management are in place, and to create a process to reflect an adequate mix of individuals with relevant competence, industry experience and diversity of perspectives to carry out effective decision making are retained and nurtured in the talent pool; and
- (o) to ensure that every Director constantly keep himself/herself apprised with the latest issues by attending relevant training.

The following are roles of the Chairman:

- (a) lead the Board to ensure effectiveness on all aspects of its role;
- (b) ensure Board members receive all information necessary for them to perform their duties;
- (c) ensure the Board has sufficient time for consultation and decision-making;
- (d) determine the agenda of Board meetings, chair such meetings and ensure that minutes are accurately recorded;
- (e) promote a culture of openness and debate at the Board;
- (f) ensure the Board and committees function properly;
- (g) ensure Board members have full opportunity to provide their views and opinions on Board matters and issues are discussed and vetted fully prior to taking decision;
- (h) ensure the Board has proper contact with the management team;
- (i) ensure the Board satisfies its duties;
- (j) consult with external advisors appointed by the Board;
- (k) address problems related to the performance of individual Board members;
- (l) address internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result;
- (m) provide an additional casting vote (in addition to any vote which (s)he may be entitled as a Board member) in the event votes cast are equal; and
- (n) attend the general meeting of shareholders to answer shareholder questions on the Board’s activities, role, and scope of responsibilities.

2.4 REPORTING

Each meeting of the Board shall be properly minuted and upon confirmation of such minutes as accurate by the Chairman, a copy of the confirmed minutes shall then be duly circulated to all members. The minutes of Board meeting, after incorporating the comments (if any) from the members; and confirmed by the Chairman of the Board shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

2.5 PROCEDURES RELATING TO CHANGES OR AMENDMENTS TO TERMS OF REFERENCE

The Board shall initiate amendments to its Terms of Reference when the need arises to improve governing corporate governance. Any Director may give instructions for such amendments to the Board's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organization and/or operations which affect the matters set out in the Terms of Reference.

Any amendment to the Terms of Reference shall be tabled at a Board meeting for approval.

3. TERMS OF REFERENCE FOR AUDIT AND RISK MANAGEMENT COMMITTEE

3.1. COMPOSITION

The Audit and Risk Management Committee ("**ARMC**") shall be appointed by the Board from amongst the members of the Board.

The ARMC shall comprise at least three (3) directors and chaired by an independent director. All members of the ARMC should be non-executive directors. In addition, the ARMC may co-opt from time-to-time person who have the relevant expertise to assist it but who may not be directors. Such persons may be associate members or invitees of the committee but shall have no decision-making powers or voting rights.

The ARMC shall have at least three (3) members, including the ARMC Chairman and the ARMC shall have relevant accounting or related financial management expertise or experience, as the Board interprets such qualifications in its business judgement.

A member who wishes to retire or resign from the ARMC shall notify the Board in writing giving three (3) months' notice or such shorter notice as may be agreed by the Board.

A member shall automatically cease to be a member of the ARMC if he is removed / disqualified under the provisions of the Myanmar Companies Law or directives issued by the SECM, YSX or DICA, or if he resigns / retires / is not re-elected as a Board member.

If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3.2. PROCEDURES GOVERNING MEETINGS

Under the Company's constitution, the ARMC being a committee of the Board shall conform to any regulations which may be from time to time imposed on it by the Board.

QUORUM

The quorum of the ARMC meeting shall be two (2) members, including at least one (1) independent director.

REQUISITION OF MEETINGS

The ARMC may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit. At any time, any member or the Board may summon a meeting of the members by issuing at least seven (7) days' notice in writing (exclusive both of the day on which notice

is served or deemed to be served and the day for which the notice is given) to each and every member. The meeting agenda shall be circulated to all members at least seven (7) days in writing prior to the meeting date in the said notice. The expression "in writing" includes those in the form sent out by mail, telefax, telex, cable, electronic mail, or telegram by any such member.

The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. At least four (4) meetings shall be held in a financial year.

CONDUCT OF MEETING AND AUTHORITY

The ARMC shall procure that a qualified person be appointed to organize its meetings, coordinate production of papers and keep minutes of proceedings.

The Chairman of the ARMC shall preside at each meeting. If the chairman of the ARMC is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of the members to be Chairman of the meeting so long as the appointed Chairman is an independent director.

Questions arising from any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

The ARMC shall have explicit authority to investigate any matter within these terms of reference or by law, full access to and co-operation by management, full discretion to invite any director, executive officer, or employee to attend meetings and respond to the ARMC's questions and/or provide the ARMC with any other assistance, and adequate human resource to enable it to discharge its function properly. The ARMC shall also be authorized by the Board to take independent advice, in the furtherance of their duties, if necessary, and at the Company's expense and shall have systems in place to ensure the effectiveness of the ARMC. The ARMC is further empowered to set forth a reporting process as to how reporting should be made to the ARMC.

The ARMC shall be provided with appropriate and timely training, in particular in respect of risk management expertise, both in the form of an induction programme for new members and on an ongoing basis for all members.

PARTICIPATION VIA COMMUNICATION EQUIPMENT

The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by one another, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

RESOLUTION IN WRITING

A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at an ARMC meeting and may consist of several documents in the like form, each signed by one (1) or more members. The expressions “in writing” and “signed” include approval by telefax, telex, cable, electronic mail, telegram, or any other form of electronic communication by any such member.

DEBARRED FROM VOTING

A member shall not vote in respect of any matters or proposal whatsoever in which he has an interest, directly or indirectly or as prescribed under the Myanmar Companies Law or directives issued by the SECM, YSX or DICA.

3.3. DUTIES AND FUNCTIONS

The duties of the ARMC include the following:

- (a) review with the external auditor the audit plan, their evaluation of the system of internal accounting controls and risk management, their audit report, their management letter and the management’s response;
- (b) review the half-yearly and annual financial statements of the Group before reporting to the Board and/or submission to the Board for approval, focusing in particular, on changes in accounting policies, controls and practices, major risk areas, significant adjustments resulting from the audit, monitoring for compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (c) review the internal controls and procedures and ensure co-ordination between the external auditor and the management, review the assistance given by management to the external auditor and discuss problems and concerns, if any, arising from the audits, and any matters which the external auditor may wish to discuss;
- (d) review and discuss with the external auditor any suspected fraud or irregularity, or if applicable, suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company’s operating results or financial position, and the management’s response;
- (e) consider the appointment or re-appointment of the external auditor, the audit fee, and matters relating to the resignation or dismissal of the external auditor;
- (f) review transactions falling within the scope of RPTs in accordance with the Company’s RPT Policy and SECM rules;
- (g) review transactions as potential conflicts of interest;
- (h) review the adequacy and structure of the finance function on an on-going basis and take appropriate remedial actions as may be necessary;
- (i) monitor and review the Group’s control of cash and banking procedures;
- (j) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;

- (k) review whether the weaknesses as identified by the external auditors have been fully addressed;
- (l) monitor and review with the management on the areas of risk that may affect the Group's operations and make risk mitigation efforts; direct and work with the management to develop and review policies and processes to address and manage identified areas of risk in a systematic and structured manner;
- (m) determine and recommend to the Board for its approval, the nature and extent of significant risks in achieving the Board's strategic objectives. In particular, the ARMC should determine the company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems. The ARMC should also oversee and advise the Board on the current risk exposures and future risk strategy of the Company;
- (n) review and implement the Company's policies, arrangements and procedures for reporting and detecting fraud and improprieties in matters of financial reporting or other matters; and
- (o) generally undertake such other functions and duties as may be required by statute or the relevant securities rules, and by such amendments made thereto from time to time.

General

To undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings and deliver opinions from time to time on matters arising and requiring the attention of the ARMC.

To take such measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements.

To undertake generally such other functions and duties as may be required by law, the Myanmar Companies Law or the relevant securities rules and by such amendments made thereto from time to time.

To ensure that the Company complies with requirements under the Myanmar Companies Law and the relevant securities rules.

To conduct periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at optimal effectiveness and recommend any changes it considers necessary to the Board for approval.

To seek any information that it requires from any officer or employee of the Company, noting at all times that the receipt and use of such information obtained should follow various disclosure requirements, particularly those required by the regulatory bodies.

3.4. REPORTING

Each meeting of the ARMC shall be properly minuted. The minutes of ARMC meeting, after incorporating the comments (if any) from the members, signed by the Chairman of the ARMC shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

3.5. PROCEDURES RELATING TO CHANGES OR AMENDMENTS TO TERMS OF REFERENCE

The ARMC shall initiate amendments to its Terms of Reference when the need arises to improve corporate governance. Any director may give instructions for such amendments to the ARMC's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organization and/or operations which affect the matters set out in the Terms of Reference.

Any amendment to the Terms of Reference shall be submitted to the ARMC for consideration and tabled at a Board meeting for approval.

4. TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

4.1 COMPOSITION

The Remuneration Committee (“RC”) shall be appointed by the Board from amongst the members of the Board.

The RC shall have a minimum of three (3) directors, who should be free from any business or other relationships which may materially interfere with the exercise of their independent judgement. All of the members of the RC should be non-executive directors. This is to minimize the risk of any potential conflict of interest.

The RC shall have at least one member who is knowledgeable in the field of executive compensation, failing which the RC should have access to expert advice inside and / or outside the Company on remuneration of all directors. The RC should ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

A member who wishes to retire or resign from the RC shall notify the Board in writing giving three (3) months’ notice or such shorter notice as may be agreed by the Board.

A member shall automatically cease to be a member of the RC if he is removed / disqualified under the provisions of the Myanmar Companies Law, or if he resigns / retires / is not re-elected as a Board member.

If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

4.2 PROCEDURES GOVERNING MEETINGS

Under the Company’s Constitution, the RC being a committee of the Board shall conform to any regulations which may be from time to time imposed on it by the Board.

QUORUM

The quorum of the RC meeting shall be two (2) members, including where possible, at least one (1) independent director.

REQUISITION OF MEETINGS

The RC may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit. At any time, any member may summon a meeting of the members by issuing at least seven (7) days’ notice in writing (exclusive both of the day on which notice is served or deemed to be served and the day for which the notice is given) to each and every member. The meeting agenda shall be circulated to all members in the same notice. The expression “in writing”

includes those in the form sent out by mail, telefax, telex, cable, electronic mail, or telegram by any such member.

The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. A meeting shall be held at least once a year.

CONDUCT OF MEETING

The RC shall procure that a qualified person be appointed to organize its meetings, coordinate production of papers and keep minutes of proceedings.

The Chairman of the RC shall preside at each meeting. If the Chairman of the RC is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting so long as the appointed Chairman is a non-executive director.

All recommendations of the RC shall be decided by a majority of votes of the members present, with the Chairman having a second or casting vote in event of an equality of votes.

No director shall participate in decisions on his/her own remuneration. The RC may invite any director and executive officer of the Company to attend its meetings.

PARTICIPATION VIA COMMUNICATION EQUIPMENT

The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by one another, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

RESOLUTIONS IN WRITING

A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at a RC meeting and may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" and "signed" include approval by telefax, telex, cable, electronic mail, telegram, or any other form of electronic communication by any such member.

DEBARRED FROM VOTING

A member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly or as prescribed under the Myanmar Companies Law or directives issued by the SECM, YSX and DICA.

4.3 DUTIES AND FUNCTIONS

The duties of the RC include the following:

- (a) consider and make recommendations to the Board concerning the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration.

- (b) review and recommend to the Board a general framework of remuneration for the Board and executive officers.
- (c) review and recommend to the Board the specific remuneration packages for each director as well as for executive officers. The RC should cover all aspects of remuneration including but not limited to directors' fees, base/fixed salaries, variable or performance-related income, allowances, bonuses, stock options granted, share-based incentives and awards, and benefits in kind. Short-term and long-term incentive schemes should be made subject to appropriate and justifiable performance conditions.
- (d) ensure that the level and structure of remuneration offered will be:
 - (i) appropriate to the responsibilities undertaken and the level of contribution to the Company; and after taking into account factors like the industry and comparable company standards, the Company's performance and the individual performance;
 - (ii) aligned with the long-term interest and risk policies of the Company;
 - (iii) appropriate to attract, retain and motivate (i) the directors to provide good stewardship of the Company, and (ii) executive officers to successfully manage the Company.
- (e) review the company's obligations arising in the event of termination of the executive directors and executive officer's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance.
- (f) consider and implement, where deemed appropriate, long-term incentive schemes for executive directors and executive officers. The costs and benefits of long-term incentive schemes should be carefully evaluated.
- (g) To review total remuneration of employees who are family members of an executive officer (but who are not executive officers) and whose remuneration level is equivalent to or more than that of an executive officer.
- (h) carry out such other duties as may be agreed to by the RC and the Board.

4.4 REPORTING

Each meeting of the RC shall be properly minuted and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes shall then be duly circulated to all members. The minutes of RC meeting, after incorporating the comments (if any) from the members, signed by the Chairman of the RC shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

4.5 PROCEDURES RELATING TO CHANGES OR AMENDMENTS TO TERMS OF REFERENCE

The RC shall initiate amendments to its Terms of Reference when the need arises to improve governing corporate governance. Any director may give instructions for such amendments to the RC's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organization and/or operations which affect the matters set out in the Terms of Reference.

Any amendment to the Terms of Reference shall be submitted to the RC for consideration and tabled at a Board meeting for approval.

5. TERMS OF REFERENCE FOR NOMINATING COMMITTEE

5.1 COMPOSITION

The Nominating Committee (“NC”) shall be appointed by the Board from amongst the members of the Board.

The NC shall comprise at least three (3) Directors, the majority of whom, including the NC Chairman shall be non-executive director.

A member who wishes to retire or resign from the NC shall notify the Board in writing giving three (3) months’ notice or such shorter notice as may be agreed by the Board.

A member shall automatically cease to be a member of the NC if he is removed / disqualified under the provisions of the Myanmar Companies Law or directives issued by the SECM, YSX or DICA, or if he resigns / retires / is not re-elected as a Board member.

If a member resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

5.2 PROCEDURES GOVERNING MEETINGS

Under the Company’s constitution, the NC being a committee of the Board shall conform to any regulations which may be from time to time imposed on it by the Board.

QUORUM

The quorum of the NC meeting shall be two (2) members, including at least one (1) independent director.

REQUISITION OF MEETINGS

The NC may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit. At any time, any member may summon a meeting of the members by issuing at least seven (7) days’ notice in writing (exclusive both of the day on which notice is served or deemed to be served and the day for which the notice is given) to each and every member. The meeting agenda shall be circulated to all members at least seven (7) days in writing prior to the meeting date. The expression “in writing” includes those in the form sent out by mail, telefax, telex, cable, electronic mail or telegram by any such member.

The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. A meeting shall be held at least once a year.

CONDUCT OF MEETING AND AUTHORITY

The NC shall procure that a qualified person be appointed to organize its meetings, coordinate production of papers and keep minutes of proceedings.

The Chairman of the NC shall preside at each meeting. If the Chairman of the NC is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting so long as the appointed Chairman is an independent director.

Questions arising from any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

PARTICIPATION VIA COMMUNICATION EQUIPMENT

The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by one another, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

RESOLUTIONS IN WRITING

A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at a NC meeting and may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" and "signed" include approval by telefax, telex, cable, electronic mail, telegram, or any other form of electronic communication by any such member.

DEBARRED FROM VOTING

A member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly or as prescribed under the Myanmar Companies Law.

5.3 DUTIES AND FUNCTIONS

The duties of the NC include the following:

- (a) regularly review the structure, size, and composition (including the skills, knowledge, experience, gender, and diversity) of the Board and make recommendations to the Board with regard to any changes.
- (b) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- (c) keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.

- (d) develop and maintain a formal and transparent process for the appointment and reappointment of directors to the Board. The process for the appointment of new directors should include an evaluation of his/her capabilities and how the new director will fit in the overall competency of the Board.
- (e) make recommendations to the Board on relevant matters relating to:
 - (i) membership of the ARMC and the RC, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
 - (ii) all Board appointments and shall ensure that the process of board appointment is transparent;
 - (iii) the appointment and re-appointment of directors (including alternate directors, if applicable), having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond twelve (12) years), including, if applicable, as an independent director;
 - (iv) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
 - (v) the appointment of any director to executive or such other office.
- (f) develop and maintain a process for the selection, appointment and re-appointment of directors, having regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candor and any other salient factors), including, if applicable, as an independent director. All proposed appointees should be required to disclose any other business interests that may result in a conflict of interest and/or report any future business interests that could result in a conflict of interest.
- (g) ensure all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three (3) years.
- (h) determine annually, as and when circumstances require, whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. No independent director shall serve on the Board beyond twelve (12) years from the date of his/her first appointment, unless specifically approved by the Board.
- (i) decide whether a director is able to and has adequately carried out his duties as a director of the Company where such director has multiple board representations, taking into consideration the director's number of listed company board representations and other principal commitments (which includes all commitments involving significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organizations. Where a director sits on the boards of nonactive related corporations, those appointments should not normally be considered principal commitments).
- (j) ensure that, if an alternate director is appointed, he is familiar with the company affairs, and be appropriately qualified. If a person is proposed to be appointed as an alternate director to an independent director, the NC (along with the Board) should review and conclude that the

person would similarly qualify as an independent director, before his appointment as an alternate director.

- (k) ensure that the appointment and re-appointment of directors (including independent directors) complies with the requirements under the Myanmar Companies Law and the relevant securities rules, and with such amendments made thereto from time to time.
- (l) oversee and review key governance and transparency issues concerning the Company, in particular, ensuring the Company's maintenance of high standards of governance in accordance with appropriate guidelines and benchmarks.
- (m) seek any information that it requires from any officer or employee of the Company, noting at all times that the receipt and use of such information obtained should follow various disclosure requirements, particularly those required by the regulatory bodies.

Every Director shall, upon appointment, and subsequently on an annual basis, submit to NC, a return of Confirmation of Independence form (as attached in Appendix A) as the NC may approve as to his independence. The NC shall review the returns and recommend to the Board as to whether the director is to be considered independent.

An independent director shall notify the Board immediately, if, as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendation to the Board as to whether the director is to be considered independent.

An Executive Director is considered as a member of the board of a company who also has management responsibilities.

A Non-Executive Director is considered as a board member without responsibilities for daily management or operations of the company.

The NC may determine that a Director is non-independent even if he meets the independence requirements set out above.

5.4 REPORTING

Each meeting of the NC shall be properly minuted. The minutes of NC meeting, after incorporating the comments (if any) from the members, signed by the Chairman of the NC shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

5.5 PROCEDURES RELATING TO CHANGES OR AMENDMENTS TO TERMS OF REFERENCE

The NC shall initiate amendments to its Terms of Reference when the need arises to improve governing corporate governance. Any director may give instructions for such amendments to the NC's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organization and/or operations which affect the matters set out in the Terms of Reference.

Any amendment to the Terms of Reference shall be submitted to the NC for consideration and tabled at a Board meeting for approval.

6. REMUNERATION POLICY

6.1 PROCEDURES ON SETTING REMUNERATION

The RC, comprising entirely of non-Executive Directors, is appointed by the Board to consider, develop, and maintain a formal and transparent procedure for setting Directors' remuneration. In setting the remuneration, the RC ensures that the level and structure of remuneration offered is appropriate to the responsibilities undertaken and the level of contribution to the Company, while also taking into consideration pay and employment conditions within the industry and in comparable companies; and aligning the level and mix of remuneration with those of corporate and individual performances. The detailed duties of the RC can be referred to the Terms of Reference of the RC. Upon deliberation, the RC forms its recommendations and submits them for endorsement by the Board.

The RC seeks expert advice and views on the remuneration of directors and executive officers, where appropriate. The RC also refers to industry practices and norms while setting framework for remuneration whether it is appropriate to attract, motivate and retain the directors of high integrity and capability to provide good stewardship of the Company and executive officers to successfully manage the Company for the long-term. No director is allowed to be involved in deciding his/her own remuneration.

The RC has the option not to grant incentives or to redeem incentive components of remuneration in any year if an Executive Director or an executive officer is involved in circumstances of misstatement of financial results, or misconduct or fraud other than in the ordinary course of business resulting in financial loss to the Company. The executive directors and executive officers of the Company are remunerated on an earned basis and no termination and retirement benefits will be granted to them post-employment.

6.2 LEVEL & MIX OF REMUNERATION

The RC is tasked to review and recommend to the Board a general framework of remuneration (including but are not limited to directors' fees, base/fixed salaries, variable or performance-related income, allowances, bonuses, stock options granted, share-based incentives and awards, and benefits in kind) for the Board and executive officers.

The remuneration packages for the executive officers comprise a fixed component (in the form of a base salary and where applicable, fixed allowances determined by the wider Yoma Group's Human Resource policies) and variable components (made up of short-term incentives in the form year-end bonuses and/or long-term incentives in the form of share scheme allowances) and other benefits-in-kind.

6.3 DISCLOSURE ON REMUNERATION

This Remuneration Policy is disclosed on the Company's website as well as in its annual/directors' report. The total remuneration of employees who are family members of an executive officer (but not themselves an executive officer and whose remuneration level is equivalent to or more than that of an executive officer) are also disclosed.

7. DIVIDEND POLICY

7.1 OBJECTIVE

The Company has implemented this dividend policy which aims to provide a return to shareholders once a year through the payment of dividends, after considering the Company's financial performance, short- and long-term capital requirements, future investment plans, and general business and economic conditions.

7.2 GENERAL PROVISIONS

Company dividends are disbursed to shareholders each year as monetary funds or other forms based on Company performance results.

The Company will use best efforts to pay dividends each fiscal year and when not able to do so, the Company will inform the shareholders accordingly.

7.3 APPROVAL PROCESS

Decisions on the declaration and disbursement of dividends shall be made by shareholders at the Annual General Meeting ("AGM") upon recommendation of the Board.

7.4 FINAL PROVISIONS

This Policy takes effect as of the date of approval by the Board. Any amendment to the present Policy shall require a supermajority vote by the Board.

The Board endeavors to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

8. RELATED PARTY TRANSACTIONS POLICY

8.1 INTRODUCTION

This Related Party Transactions Policy (the “**Policy**”) aims to define related party transactions (“**RPTs**”) and Material Related Party Transactions (“**Material RPTs**”), and set out guidelines and categories that will monitor the review, approval, and ratification of these transactions by the Board and shareholders of the Company to ensure that RPTs and Material RPTs have been identified and disclosed in the manner in accordance with the requirements of the *Instruction on Material Related Party Transactions for Listed Companies and Public Companies with more than 100 Shareholders* dated 3 December 2020 (“**Instruction 3/2020**”) prescribed by the SECM and *International Accounting Standard 24* (“**IAS 24**”) on Related Party Disclosures.

8.2 SCOPE

This Policy applies to all RPTs and Material RPTs entered into between FMI (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) and other related parties (“**RPs**”, as defined in Section 8.3(k)), to ensure that any transaction with a related party (“**RP**”) will be at arm’s length and on normal commercial terms that are not prejudicial to the Company and its minority shareholders.

On occasion, RPTs and Material RPTs can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. The Company has formulated guidelines for identification of RPs and the proper conduct and documentation of all RPTs. To ensure that this Policy is implemented stringently, an assessment is taken on whenever a RPT happens. In accordance with the Terms of Reference of the ARMC, the ARMC shall oversee and review the propriety of RPTs, and their reporting disclosures; and recommend to the Board for approval.

The principal objectives of this Policy are to: -

- (a) identify RPTs and potential conflicts of interest;
- (b) set out the materiality thresholds for Material RPTs;
- (c) approval of transactions below the materiality thresholds; and
- (d) ensure proper approval, disclosure, and reporting of such transactions as applicable under the Instructions 3/2020 and Myanmar Companies Law 2017 (the “**Companies Law**”) together referred to as (the “**Statute**”), between the Company and any of its RP in the best interest of the Company and its stakeholders.

Notwithstanding anything in this Policy, all RPTs relating to Yoma Bank Limited (a subsidiary of the Company) shall be subject to RPT procedures of Yoma Bank Limited, which have been provided to the Company, and as may be amended from time to time.

8.3 DEFINITIONS

The following expressions, contained in this Policy are defined in accordance with the Instructions on Material RPTs, shall have the meanings described hereunder:

- (a) “**Abusive Material Related Party Transactions**” or (“**Abusive Material RPTs**”) means Material RPTs that are not entered at arm’s length and unduly favor a RP.

- (b) **“Associate company”** means an entity over which the Company holds 20% or more and not less than 50% of the voting power, directly or indirectly, or which the Company has significant influence.
- (c) **“At Arm’s Length”** means transactions between parties who act independently of and without regard to any relationship with the Company or any of its subsidiaries or affiliates.
- (d) **“Executive Officer”** means an officer prescribed under clause (xvii) of sub-section (c) of Section 1 of the Companies Law, as the case may be, including the Company’s Chief Executive Officer (or his or her deputy), Chief Financial Officer, Chief Operating Officer, and any other individual who directly reports to the Board or the Chief Executive Officer.
- (e) **“Family Members”** of a Natural Person refer to: -
- (i) Spouse, brother or sister of the person;
 - (ii) Brother or sister of the spouse of the person;
 - (iii) Any lineal ascendant and descendant of the person or his/her spouse and their dependents; and
 - (iv) Any such relationship created through adoption by law.
- (f) **“Key management personnel”** or (**“KMP”**) are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- (g) **“Materiality Threshold”** means the level of transaction that can create significant risk to the Company and can influence the decisions of its Board of directors, Executive Officers, KMP, and shareholders (i.e., five percent (5%) of the Group’s total consolidated assets) as per the last audited annual financial statements of the Group.
- (h) **“Material Related Party Transaction”** or (**“Material RPT”**) means any related party transaction/s, either individually or in aggregate over a twelve (12)-month period with the same RP, amounting to or more than five percent (5%) of the Group’s Consolidated Total Assets as per the last audited annual financial statements of the Group. Examples of Material RPTs are acquisition, disposal, the entrance of a new and significant contract, and so on.
- (i) **“Recurrent Related Party Transactions”** or (**“Recurrent RPTs”**) means RPTs:
- (i) that happen within the Group on a recurring basis with the same RP which are necessary for business functions, such as inter-group payments/ offsets, within the ordinary course of business; and
 - (ii) that are recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Company or subsidiaries, such as dividend payments.
- (j) **“Related Body Corporate”** means the following:
- (i) The parent company of the Company;
 - (ii) Subsidiaries of the parent company; and
 - (iii) Subsidiaries and the associate companies of the Company.
- (k) **“Related party”** or (**“RP”**) – means the following:
- (i) Board members of the Company and its related body corporates;
 - (ii) KMP of the Company and its related body corporates;
 - (iii) Substantial shareholders of the Company and its related body corporates;
 - (iv) Related body corporate or any entity related through joint ventures;
 - (v) Family members of any natural person listed in (i), (ii), and (iii);

- (vi) The directors, Executive Officers, and KMP of any business, in which the natural persons listed in paragraph (i), (ii), (iii), and (v) own jointly or severally and directly or indirectly at least twenty percent (20%) of the voting rights;
- (vii) A person or class of persons who has been designated by SECM as a RP because of its past or present interest in or relationship with the Company;
- (viii) Any person who has control or joint control of the reporting entity; has significant influence over the reporting entity; or is a member of the KMP of the reporting entity or of a parent of the reporting entity;
- (ix) An entity that meets any conditions from below: -
 - 1) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - 2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - 3) both entities are joint ventures of the same third party.
 - 4) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
 - 5) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - 6) the entity is controlled or jointly controlled by a person identified in (a).
 - 7) a person identified in (viii) has significant influence over the entity or is a member of the KMP of the entity (or of a parent of the entity).
 - 8) Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity and include: -
 - that person’s children and spouse or domestic partner;
 - children of that person’s spouse or domestic partner; and
 - dependents of that person or that person’s spouse or domestic partner.
- (l) **“Related Party Register”** or **“RPR”**) means a record of the organizational and structural composition (e.g., list of persons and companies that are RPs of the Company), including any change thereon, of the Company and its RPs. The record should be in the custody of the Department of Corporate Secretary.
- (m) **“Related party transaction”** or **“RPT”**) means a transfer of resources, services or obligations between a reporting entity and a RP, regardless of whether a price is charged.
- (n) **“Subsidiary”** means more than fifty percent (50%) of the shareholding of a corporation is owned or controlled by another corporation (i.e., parent company) directly or indirectly through one or more intermediaries.
- (o) **“Substantial/ significant Shareholder of a company”** means a legal entity or natural person who, jointly or severally, owns 20% or more of the voting rights of the Company.

8.4 EXCEPTIONS

Words importing the singular shall, where applicable, include the plural and vice versa; and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

All capitalized terms used in this Policy, but not defined herein, shall have the same meaning assigned to such terms in the Statute thereunder, as amended from time to time. In the event of any conflict between provisions of this Policy and the Statute, the provisions of the Statute shall prevail over this Policy.

8.5 IDENTIFICATION AND REVIEW OF RPTS

(a) Identification of RPTs

- (i) The list of persons and companies that are RPs of the Company are set forth in the RPR. The RPR shall be reviewed and updated quarterly by the Department of Finance in coordination with the Department of Corporate Secretary to record organizational and structural changes in the Company and its RPs.
- (ii) Before initiating any RPT, the Management shall report to the ARMC each new or proposed RPT for review and recommendation to the Board. The report shall cover: -
 - 1) the terms, business purpose, benefits, and other details of the transaction;
 - 2) the nature of the relationship between the RP(s) involved in the transaction and the Company; and
 - 3) the description of the transaction, including the affected periods to be disclosed in the financial statements, trading amounts (including the amounts due to or from RP(s) to the transaction, if any), whether the RPT is a recurrent RPT or not, and the terms and manner of settlement.

(b) Review of RPTs

- (i) The ARMC, shall review and evaluate all RPTs before the transaction is executed and initiated. If not identified beforehand, the RPT should be reviewed immediately by the ARMC upon its identification.
- (ii) During the review process, the ARMC shall consider all the relevant facts and circumstances available, including but are not limited to: -
 - 1) the terms of the transaction, which should be fair and is in the best interest of the Company, and is reasonable in the circumstances it occurs, and is on terms that are no worse than arm's length from the perspectives of the Company;
 - 2) the aggregate value of the RPT;
 - 3) scope of the RP's interest in the transaction;
 - 4) whether the RPT would cause a potential conflict of interest or unexpected risks for the Company; or the RP taking into consideration the size of the transaction, the overall financial position of the RP; the direct or indirect complexity of the RP's interest in the transaction; and
 - 5) any other applicable information related to the transaction.

8.6 RPTS DELEGATED TO MANAGEMENT

The following RPTs are by nature normal transactions in the ordinary course of business, and are ratified by the Board in separate approvals, and will not prejudice third parties including the regulatory bodies,

shall not require review and approval of the ARMC. The review of these transactions is delegated to Management provided that these transactions do not breach the materiality threshold for a Material RPT: -

- (a) Remuneration and employment of Executive Officers and Directors approved by the NC and/or RC;
- (b) The payment to a Director by the Company or a former Director of compensation for loss of office;
- (c) The making of loans, advances and other benefits available to all employees in general;
- (d) The giving of guarantees by the Company for debts incurred by a Director or a RP;
- (e) The entering into a contract to do anything set out in 8.6(a), 8.6(b), 8.6(c), and 8.6(d) or to the provision of any other kind of financial benefit to a Director or a RP not otherwise regulated under the Statute;
- (f) Terms of any transaction with a RP that are generally the same as or similar to offers by other banks or financial institutions in the ordinary course of business;
- (g) Any transaction with a RP, including but are not limited to, the rendering of services as a contract carrier or public utility at rates or charges fixed in compliance with the regulatory body;
- (h) Any transaction with a RP, including but are not limited to management fees, system cost recoveries, agreements or intercompany advances in exchange for rendering of services (e.g., construction, construction management, procurement, engineering, property management, technical services, and other services) in the ordinary course of business;
- (i) Share transactions, such as dividend payment, buyback, rights offerings available to all shareholders in proportion to the existing shares held by each member; and
- (j) Infusion of capital between wholly owned subsidiaries of an ultimate common parent company or between wholly owned subsidiary and its parent company.

8.7 IDENTIFICATION AND REVIEW OF MATERIAL RPTS

- (a) **Scope** – All transactions with a RP (including any amendments or modifications to such transactions) shall be reported by the Company to the ARMC for its approval in accordance with this Policy. The ARMC shall review and evaluate all Material RPTs before their commencement. Upon ARMC’s review of the Material RPTs or the aggregate RPTs that meet materiality threshold, these Material RPTs shall be circulated for approval by the Board of the Company. Material RPTs shall be identified by considering the RPR. Transactions that surpass materiality thresholds that were entered into with a non-RP that subsequently becomes a RP may be excluded from the limits and approval process required in this Policy.

Nevertheless, any modification to the terms and conditions, or increase in exposure level, related to these transactions after the non-RP becomes a RP shall subject to the requirements of the Material RPT herein.

- (b) **Guidelines in ensuring arm’s length terms in Material RPTs** – The Company shall ensure that, in all Material RPTs, no preferential treatment shall be given to RPs that are not extended to

non-RPs under similar circumstances and that the transactions are engaged into, at terms that promote the best interest of the Company and its Shareholders. The transactions shall not be more favorable than similar transactions with non-RPs.

Moreover, the Company shall commit to exercise due diligence in ensuring that the Company does not adopt tax base erosion and profit shifting schemes in carrying out Material RPTs in compliance with applicable regulations on transfer pricing practices.

To ensure that transactions are entered at arm's length terms and to promote the best interest of the Company, its shareholders, and the stakeholders at large, the Company may adhere to the OECD Transfer Pricing Guidelines or any other price discovery mechanism that the ARMC and the Board may deem appropriate.

The Management shall provide to the ARMC – the aggregate value of the Material RPT, extent of the RP's interest in the transaction and whether the Material RPT would create an improper conflict of interest in the transaction or special risks to the Company, or the RP taking into account the size of the transaction, the overall financial position of the RP, the direct or indirect nature of the RP's interest in the transaction and the nature of any proposed relationship, and any other information relevant to the transaction.

The ARMC may require the Management to: -

- (i) obtain the services of an external specialist;
- (ii) open the transaction to a bidding process; and
- (iii) publish the proposed transaction as a means for price discovery to ensure that the transactions are engaged into terms that are fair and are in the best interest of the Company.

8.8 APPROVAL OF RPTS AND MATERIAL RPTS

- (a) Management shall present to the ARMC all relevant terms of the RPTs and Material RPTs including those items stated in Section 8.5(a). The ARMC shall consider all relevant facts and circumstances including those items stated in Section 8.5(b).
- (b) All individual Material RPTs shall be reviewed by the ARMC and approved by at least two-thirds (2/3) of the Board, with the majority of the Company's Non-Executive Directors and Independent Directors voting to approve the Material RPT. Should there be no majority of the Company's Non-Executive Directors and Independent Directors approve of such transaction, the Material RPT shall be ratified by two-thirds (2/3) of the Company's outstanding capital stock.
- (c) For aggregate RPTs/ Recurrent RPTs within a twelve (12)-month period covering the same RP that breaches the materiality threshold shall be approved in the same manner as explained in Section 8.8(b) hereof.
- (d) The ARMC may grant a once-off omnibus approval for Recurrent RPTs annually for estimated value of transactions with each RPT not exceeding the materiality threshold (for cumulative Recurrent RPTs, not a single Material RPT) at the beginning of the year. Such approval on the

said Recurrent RPTs that breaches the materiality threshold shall be put forward for Board approval. For total Recurrent RPTs exceeding twenty percent (20%) of the Group's total consolidated assets, shareholders blanket approval shall be obtained.

- (e) An RPT, which is not under the omnibus approval, shall be placed before the ARMC for approval.
- (f) The ARMC shall review RPTs against the omnibus limit and consider such transactions for approval at least on half-yearly basis.
- (g) The members of the Board, Executive Officers and substantial shareholders of the Company shall fully disclose to the Board all material facts related to Material RPTs as well as their/ their immediate family members' direct and/or indirect financial interest in any transaction or matter that may affect or is affecting the Company. They shall abstain in any deliberations about whether or not to approve the RPT, decision making regarding the transaction, and how the Company shall manage the transaction after a decision. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.
- (h) The Board shall have the overall responsibility in ensuring that transactions with RPs are handled in a sound and prudent manner, with integrity, at arm's length, are reasonable in the circumstances, and in compliance with the Statute to protect the interests of the shareholders and stakeholders of the Company.

8.9 WHISTLE BLOWING MECHANISMS

All stakeholders are encouraged to communicate confidentially and without risk reprisals or victimization for raising their concerns about illegal, unethical, or questionable RPT, provided that they raise their concerns in good faith and reasonably believe them to be true. Reporting and investigation of abusive RPTs shall be handled following the Company's Whistle Blowing Policy provided in this link: <https://cdn.yomastrategic.net/public/fmi/contents/uploads/2020/07/07084527/Whistle-Blowing-Policy.pdf>

8.10 REMEDIES FOR ABUSIVE RPTS

Responsible persons found to be in willful violation of this Policy shall be subject to the relevant procedures and regulations, as may be applicable, provided that any penalty to be imposed herein shall be subject to consultations with the ARMC. The penalty may include any applicable reparation of actual losses suffered by the Company directly arising from the violation of guidelines relating to Abusive Material RPTs.

8.11 CONFLICTS OF INTEREST AND DISCLOSURE REQUIREMENTS FOR DIRECTORS & OFFICERS

The Management shall report, identify, and manage all potential or actual conflicts of interests relating to RPTs and Material RPTs.

- (a) All Directors and Officers of the Group are required to promptly disclose any business and family-related transactions to the Company to ensure potential conflicts of interests are surfaced and brought to the attention of the Management.
- (b) All Directors of the Company are also required to complete the Directors' Declaration Form at the beginning of every financial year for the purpose of proposed directorship in the Company to ensure that the Directors are not conflicted. These declarations are duly noted by the

Department of Corporate Secretary which collates them in file and monitors compliance thereof.¹

- (c) Independent Directors are required to submit to the Department of Corporate Secretary a letter of Confirmation stating that they hold no interest in companies affiliated with the Company and the Management or controlling shareholders of the Company at the time of their election/ appointment and/ or re-election as Independent Directors in accordance with the terms of the Company's Corporate Governance Manual.²

8.12 DISCLOSURE OF RPTS AND MATERIAL RPTS

This Policy will be published in the Company's website. The Company shall disclose in detail on Material RPTs in accordance with the Instructions 3/2020. RPTs approved by the Board (other than a Material RPT) shall be disclosed as part of the items approved during the Board meeting; and shall be indicated in relevant consolidated financial reports of the Group as required under IAS 24 and other applicable disclosure requirements.

Such publication on disclosure reports and announcements on the Company's website shall be within three (3) calendar days after the closure of the transaction.

8.13 REVIEW OF POLICY

This Policy has been adopted by the Board of the Company based on the recommendations of the ARMC. The ARMC may, if thought fit, review and amend the Policy, as and when required, to ensure its effectiveness, subject to the approval of the Board.

8.14 EFFICITIVITY OF THE POLICY

This Policy, approved by the Board on 24 June 2022, shall be effective immediately.

¹ "Conflicts of Interest Policy", <https://fmi.com.mm/governance/corporate-policies/>

²"Confirmation of Independence", "FMI's CG Manual", <https://fmi.com.mm/governance/corporate-governance/>

APPENDIX A
CONFIRMATION OF INDEPENDENCE

I confirm the following: -

- (a) That I *am/am not an Executive Director of the Company and *have/have not been employed by the Company or any of its related body corporate¹ for the current or any of the past three (3) financial years.
- (b) That I *have/do not have a family member² who is currently employed or has been employed in any of the past three (3) financial years by the Company or its related body corporate.
- (c) That I *have/have not accepted any remuneration from the Company or any of its related body corporates for the provision of services for the current or immediate past financial year other than fees for acting as a Director of the Company.
- (d) That I, in the current or immediate past financial year, *am/am not and *have/have not been a 5% shareholder of, or a partner in (with 5% or more stake), or an executive officer³ of, or a director of, any organization to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year.
- (e) That I *am/am not a 5% shareholder of the Company, directly or through any of the related body corporates.
- (f) That I *do/do not have a relationship with the Company and its related corporations or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of my independent business judgment with a view to the best interests of the Company.
- (g) That I *have/have not served on the Board beyond twelve (12) years from the date of my first appointment.

If any of the relationships stated above exist, please provide details:

In view of the foregoing, I *am/am not considered *independent/not independent of the Company.

Name:

Date:

** delete where inapplicable*

¹ "related body corporate" shall have the same definition used in the Myanmar Companies Law.

² "family member" shall have the same definition used in The Securities and Exchange Commission's Instruction No. 3/2020 at Section 3(g).

³ "executive officer" shall have the same definition used in SECM's Instruction No. 3/2020 at Section 3(f).