

# ANNEX "B"

## TKC METALS CORPORATION THE BOARD OF DIRECTORS CHARTER

### **I. Purpose**

Compliance with the principles of good corporate governance shall start with the Board. It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders.

### **II. Membership**

The Board of Directors shall be composed of such number of Directors as shall be provided in the Articles of Incorporation, duly elected by the stockholders entitled to vote in accordance with the By-Laws, the Corporation Code and the Securities Regulation Code.

The Board shall have at least three (3) Independent Directors qualified as such in accordance with the relevant provisions of the Securities Regulation Code and other regulations of the Securities and Exchange Commission.

### **III. Policies Relating to the Board**

#### **A. Board Diversity Policy**

The Company shall promote and observe a policy on diversity in the composition of its Board of Directors. Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers.

#### **B. Policy on Multiple Board Seats**

A director shall exercise due discretion in accepting and holding directorships outside of the Company. A director may hold directorships outside of the Corporation provided that these positions do not retract from the director's capacity to diligently perform his duties as a director of the Corporation.

The Non-Executive members of the Board of Directors should concurrently serve as directors only to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

#### **C. Term Limits for Independent Directors**

The Board's Independent Directors shall serve for a maximum cumulative term

of nine (9) years, after which, the Independent Director shall be perpetually barred from re-election as such in the Company. He may, however, continue to qualify for nomination and election as a non-independent director.

In instances where the Company will want to retain an Independent Director who has served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual meeting of the Company's shareholders.

**D. Access to Information**

To enable the Board to properly fulfill their duties and responsibilities, management should provide directors with complete and timely information about the matters in the agenda of the meetings. Directors should be given independent access to management and the Corporate Secretary, as well as to independent professional advice.

**IV. The Chairman of the Board of Directors**

The Board should be headed by a competent and qualified Chairman. The roles and responsibilities of the Chairman include, among others, the following:

- A. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.
- B. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.
- C. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.
- D. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.
- E. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors.
- F. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

To the extent that the operations of the Company shall allow, the roles of the Chairman and the Chief Executive Officer shall be separate to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and the Chief Executive Officer upon their election.

**V. Meetings**

- A. The directors should attend and actively participate in all meetings of the Board in person or through tele-/video-conferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission; except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.
- B. The Board may, to promote transparency, require the presence of at least one (1) Independent Director in all of its meetings. However, the absence of an Independent Director shall not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice fails to attend.
- C. The Board of Directors shall meet at least six (6) times a year. Board meetings shall be scheduled in advance before the start of the year.
- D. Items to be discussed during the board meeting shall be made available to each director at least five (5) days in advance. In emergency circumstances, however, the meeting may be called on a shorter notice.
- E. Non-executive Directors, headed by the Lead Independent Director, shall meet periodically with the External Auditor and the Head of Internal Audit, without the presence of Executive Directors and key officers.
- F. The presence of 2/3 of the directors is required when determining the quorum of the meeting.

**VI. Authority and Responsibilities of the Board of Directors**

To ensure a high standard of best practice for the Company, and to promote and protect the interest of the Company, its stockholders and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance, among others, the following duties and responsibilities:

- A. Install a process of selection to ensure a mix of competent directors and officers, regardless of age, gender, race and religion.
- B. Set and regularly review the strategic objectives and the Company's vision and mission, determine investment policy, agree on performance criteria and delegate to management the detailed planning of implementation of that policy, in accordance with appropriate risk parameters.
- C. Determine and oversee the implementation of the strategies and plans, review the operation and financial performance of the Company and to consider matters specifically reserved for its approval.
- D. Ensure and adopt an effective succession planning program for directors, key

officers and Management to ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company.

- E. Ensure that the Company complies with all relevant laws, regulations and codes of best business practices, and achievement against objectives, by holding Management accountable for its activity through the measurement and control of operations by regular reports to the Board, including monthly performance reporting and budget updates.
- F. Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relation with them through an effective investor relations program.
- G. Identify the Company's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely, and effective communication with them.
- H. Adopt a system of internal checks and balances.
- I. Identify and monitor with due diligence key risk areas and key performance indicators, and manage the same especially those categorized as having high impact with high probability of occurrence.
- J. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted.
- K. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.
- L. Formulate and implement policies to ensure the integrity of related party transactions between and among the company and its related companies, business associates, major stockholders, officers, directors and their spouses, children, dependent siblings and parents, and of interlocking director relationships.
- M. Establish and maintain an alternative dispute resolution system to settle conflicts between the Corporation and its stockholders or other third parties, including regulatory authorities.
- N. Align the remuneration of key officers and board members with the long-term interests of the Company. The Board shall adopt a policy specifying the relationship between remuneration and performance.
- O. Designate a lead director among the Independent Directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

## VII. Duties and Responsibilities of Directors

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the members of the Board of Directors shall conduct themselves with honesty and integrity in the performance of, among others, the following specific duties and responsibilities:

- A. Conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions. He shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. Should an actual or potential conflict of interest arise, he should fully and immediately disclose the same and should not participate in the decision-making process.
- B. Devote time and attention necessary to properly discharge his duties and responsibilities. He should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of, and knowledgeable with, the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials, and, if called for, ask questions or seek explanation.
- C. He should act judiciously. He shall evaluate the issues, ask questions and seek clarifications necessary before deciding on any matter brought before the Board.
- D. He should exercise independent judgment. He shall review each problem or situation objectively. Should a disagreement with other directors arise, he should carefully evaluate and explain his position. He should not be afraid to take unpopular positions if he thinks such ideas are beneficial to the Company.
- E. He should have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Securities and Exchange Commission, and where applicable, the requirements of other regulatory agencies. He shall also keep himself informed of the industry developments and business trends in order to safeguard the Company's competitiveness.
- F. He should observe and keep confidentiality. He should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not disclose any information to any other person without the authority of the Board or the Executive Committee.
- G. He should ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.
- H. Attend before assumption of office and annually thereafter a seminar on corporate governance conducted by a duly recognized private or government institute.