

by the book



## Board of Directors

The Board, in fulfilling its stewardship responsibility for the Company, met nine times during the financial year to supervise Management in areas such as strategy, budgeting and planning, organisational and financial performance, the achievement of strategic goals and objectives, risk management as well as reporting and communications for the Company and the Group.

Key information regarding the Directors is disclosed on pages 14 and 15 of the Annual Report. The Directors appointed to the Board are qualified professionals who hold key management positions and/or directorships in other companies listed in Singapore and overseas. Appropriate orientation briefing is given to incoming directors to ensure that they are familiar with the Company's business and governance practices. The Directors also receive relevant updates and briefings from the Management and outside professionals on relevant new laws, regulations and changing commercial risks, from time to time.

The Company has internal guidelines on matters that require Board approval other than routine approvals concerning setting authority limits and operation of bank accounts. The types of material transactions requiring Board approval are as follows:

- Matters relating to the Group entities e.g. incorporation of new companies, acquisitions and disposals of subsidiaries.
- Budgets and financial planning.
- Projects with revenue over US\$20 million.

Currently, the Board consists of nine Directors, of whom two are executive directors, three are considered to be independent by the Nominating Committee and four are non-executive (of which three are nominees from the parent company, Dimension Data Holdings plc). In addition, two of the Directors have also appointed alternates. There is therefore a good balance between the executive directors and non-executive directors and a strong and independent element on the Board.

The Board considers its size as appropriate and effective in decision-making, given the scope and nature of the operations. The Board also considers the combination of experience, knowledge and expertise of its members in the various fields of accounting, finance, business, management and industry to be balanced and effective in carrying out its functions.

There is a clear division of responsibilities at the top of the Company with clear lines of responsibility between the Board and the executive functions of the management of the Company's business. The Board sets broad business guidelines, approves financial objectives and business strategies and monitors the standards of executive management performance on a periodic basis. The roles of the Chairman and Chief Executive Officer ("CEO") are separate. With respect to the Chairman's role in Board proceedings, the Chairman, being a non-executive Director:-

- (i) schedules meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- (ii) prepares meeting agenda in consultation with the CEO;
- (iii) exercises control over quality, quantity and timeliness of the flow of information between the Management and the Board; and
- (iv) assists in ensuring compliance with the Company's guidelines on corporate governance.

Key information on the Chairman and CEO is disclosed on pages 14 and 15 of the Annual Report.

The Board meets regularly on a quarterly basis and as warranted. However, ad hoc, non-scheduled Board meetings may be convened to deliberate on urgent substantive matters.

**Board of Directors (cont'd)**

The Directors' attendance record at Board meetings is set out below:

<b>Directors</b>	<b>Attendance</b>
<b>Executive Directors</b>	
• William Bruce Grahame Padfield	9
• Philip Chu Yan-Jy	9
<b>Non-executive Directors</b>	
• Patrick Keith Quarmby	9
• Ronald John Cattell	8
• Jeremy John Ord	6
• Josua Malherbe	8
<b>Independent Directors</b>	
• Frank Yung-Cheng Yung	9
• Seet Ai Mee	9
• Lal Chandra Singh	6
<b>Alternate Directors</b>	
• Brett William Dawson (alternate to Jeremy John Ord)	
• Stephen Michael Joubert (alternate to Josua Malherbe)	

In order to fulfill their responsibilities, the Company recognises that Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis. As a general rule, Board papers are sent to Directors three to five days before the regular Board meeting so that the Directors may better understand the matter before the Board meeting such that Board meeting time may be conserved and discussion time focused on questions that the Board has about the Board papers. The information provided in the Board papers include background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and internal financial statements.

The Directors are also provided with the names and contact details of the Company's senior management, company secretary and assistant company secretary to facilitate independent and separate access. The assistant company secretary attends all board meetings and ensures that board procedures are followed and applicable rules and regulations are complied with.

The Company fully recognises that the continual flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. The Management is therefore expected to provide the Board with information concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company accurately and in a timely manner.

The Directors currently submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

The Directors who have been re-nominated for re-election are set out on page 47 of the Annual Report. The Board takes independent professional advice as and when necessary to enable it or the independent Directors to discharge their responsibilities effectively.

## Nominating Committee

The Nominating Committee has been charged with the responsibility of re-nomination having regard to the Director's contribution and performance.

The members of the Nominating Committee are:

- Seet Ai Mee, Chairperson, Independent Director
- Frank Yung-Cheng Yung, Independent Director
- Lal Chandra Singh, Independent Director
- Patrick Keith Quarmby, Non-executive Director
- William Bruce Grahame Padfield, Executive Director

Where the need for a new Director is identified or an existing Director is required to retire from office, the Nominating Committee will review the range of expertise, skills and attributes of the Board and the composition of the Board, identify its needs, and identify a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the Nominating Committee may seek advice from external search consultants.

The Nominating Committee takes factors such as attendance, preparedness and participation into consideration when evaluating the past performance and contributions of a Director for recommendation for re-nomination to the Board. During the year, in lieu of a physical meeting, a written resolution of the Nominating Committee on the re-nomination of Directors was circulated and approved by all members.

The Nominating Committee will evaluate the size and composition of the Board, and the Board's effectiveness as a whole. The Nominating Committee will also evaluate the performance of individual Directors based on performance criteria, both quantitative and qualitative, which include:-

- (i) access to information, processes and performance in relation to discharging his/her principal functions and fiduciary duties;
- (ii) communication with top management,
- (iii) attendance record; and
- (iv) intensity and quality of participation at Board meetings.

The Nominating Committee will determine annually whether or not a Director is independent. Where a Director has multiple board representations, the Nominating Committee also considers if he/she is able to adequately carry out his/her responsibilities as Director of the Company.

## Remuneration Committee

The Company has a Remuneration Committee comprising a majority of non-executive and independent Directors who are free from any business or other relationships, which may materially interfere with the exercise of their independent judgement.

The Remuneration Committee annually reviews the entire remuneration of the CEO and his direct subordinates, taking into account the performance of the Company and the individuals as well as the competitive situation. It will submit its recommendations on the remuneration packages of the CEO and the executive Directors to the Board for endorsement. It approves the remuneration package of the other key management staff as well as the appointment of new executives whose remuneration is more than US\$300,000. The Remuneration Committee's review covers all aspects of remuneration, including salaries, allowances, bonuses, options and benefits-in-kind. The Chairman of the Remuneration Committee is also the Chairman of the Audit Committee.

### Remuneration Committee (cont'd)

The members of the Remuneration Committee are :

- Frank Yung-Cheng Yung, Chairman, Independent Director
- Seet Ai Mee, Independent Director
- Patrick Keith Quarmby, Non-executive Director

The Remuneration Committee has met once since the last Annual General Meeting, and all members attended, to determine and recommend to the Board remuneration packages for the Board and key executives. No Director participated in decisions on his/her own remuneration.

It is the Company's policy that the remuneration packages of senior executives, which are linked to corporate and individual performance and risk, are appropriate to attract, retain and motivate the executives needed to run the Company successfully. The remuneration packages of both senior executives and non-executives are commensurate to their responsibilities and contributions. The Remuneration Committee has access to expert advice in the field of executive compensation outside the Company when required.

The performance-related elements of remuneration form a significant proportion of total remuneration package of executive Directors.

The remuneration of non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of such Directors. The non-executive Directors' fees for the current year are consistent with prior years. The Board recommends the remuneration of the non-executive Directors for approval at the Annual General Meeting.

The employment contracts entered into between the CEO and the executive Directors with the Company are for an initial period of about two years, which are automatically renewed and have notice periods ranging from three to six months. Any special compensation commitments for early termination of the Directors' contracts of service will be negotiated on a case-by-case basis and the Remuneration Committee aims to be fair and avoid rewarding poor performance.

Share options are offered to employees as part of long-term incentive scheme to attract and retain the relevant persons so as to support the growth of the Company. Share options granted to all participants are vested in four tranches over four years as described on page 52 of the Annual Report.

In setting remuneration packages, the Company takes into account the performance of the Company and the individuals, giving consideration to the competitive situation and the combination of fixed and variable remuneration while aligning the interests of the employees with that of the shareholders.

Details of the share option schemes can be found on page 50 of the Annual Report. Based on the Singapore Financial Reporting Standards effective for the current financial year, there is no requirement to recognize and measure the costs of share options. Accordingly, no such costs were recognized in the Company's books.

The Board is accountable to the shareholders while the Management is accountable to the Board. The Management provides all members of the Board with balanced and understandable management accounts of the Company's performance, position and prospects on a periodic basis. The Board provides the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. Such responsibility is extended to interim and other price sensitive public reports and reports to regulators (if required).

## Remuneration and Benefits of Directors and Ten Key Executives

- a) The following table shows a breakdown (in percentage terms) of the average remuneration of Directors and ten key executives, which fall within broad bands for the 12 months ended September 30, 2005 (in alphabetical order):

Remuneration bands	Salary	Performance bonuses	Directors' fees	Others	Total compensation
	%	%	%	%	%
<b>Directors</b>					
<b>\$S1,250,000 - \$S1,499,999</b>					
William Bruce Grahame Padfield	48	38	–	14	100
<b>\$S1,000,000 - \$S1,249,999</b>					
Philip Chu Yan-Jy	63	37	–	–	100
<b>Below \$S250,000</b>					
Frank Yung-Cheng Yung	–	–	100	–	100
Jeremy John Ord	–	–	–	–	–
Josua Malherbe	–	–	100	–	100
Lal Chandra Singh	–	–	100	–	100
Patrick Keith Quarmby	–	–	100	–	100
Ronald John Cattell	–	–	57	43	100
Seet Ai Mee	–	–	100	–	100
<b>Ten key executives</b>					
<b>\$S500,000 - \$S749,999</b>					
Dilip Kumar	58	42	–	–	100
Francis Yip	55	–	–	45	100
Hur Young-Jong	62	19	–	19	100
Wong Wen Ming	68	30	–	2	100
<b>\$S250,000 - \$S499,999</b>					
Edward Palmer	66	32	–	2	100
Keith Lawrence Carter	68	32	–	–	100
Lim Seng Kong	67	30	–	3	100
Megumi Hasegawa	100	–	–	–	100
Robin Anthony Hartendorp	68	25	–	7	100
Sunil Desai	67	30	–	3	100

The above does not include benefits attached to share options granted to Directors and employees, which have not been valued.

- b) Details of share options granted  
 Details of share options granted to Directors are disclosed in paragraph 5 of the Report of the Directors.