

**LAVASTONE LTD**  
**POSITION STATEMENT - CHAIRMAN**

1. The Chairman is elected by his or her fellow directors and shall be a non-executive or an independent director.
2. He/she should be a firm, objective and open-minded leader, assuming his/her role by bringing independence of mind and intellectual honesty. Apart from being fully conversant with the key networks of the organisation and have sound knowledge of the activities of the organisation work, the Chairman is expected to be impartial and objective so as to support or take the right decisions concerning the organisation.
3. The main responsibilities of a Chairman can be summarised under the following areas:
  - 3.1. Strategy and Management of the Company
    - 3.1.1. To ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.
    - 3.1.2. To co-ordinate the Committees to ensure that appropriate policies and procedures are in place for the effective management of the organisation.
    - 3.1.3. To ensure that the decisions by the Board are executed.
    - 3.1.4. To sign the Statement of Compliance to be filed with the Financial Reporting Council along with a director to confirm whether the Company has complied fully, partially or has not complied with the Code of Corporate Governance.
  - 3.2. Leadership
    - 3.2.1. To provide overall leadership to the Board, be impartial and resolve differences in the most constructive way, whilst encouraging and ensuring the active participation of all directors in discussions and Board matters.
    - 3.2.2. To participate in the selection of the board members whilst ensuring that the board has an appropriate mix of competencies, experience, skill and independence.
    - 3.2.3. To provide support and supervision to the Managing Director.
  - 3.3. Presiding and conducting meetings
    - 3.3.1. To set the agenda for Board meetings, therefore giving the meetings their direction and scope.
    - 3.3.2. To preside over the Board meetings and shareholder's meetings of the Company and to ensure the smooth functioning of the meetings.
    - 3.3.3. To ensure that Board meetings take place regularly and that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions.
    - 3.3.4. To ensure that each meeting is planned effectively, conducted according to the Constitution and that matters are dealt with in an orderly, efficient manner.
    - 3.3.5. To ensure that proper minutes are taken and sign the minutes of Board meetings and shareholder's meetings jointly with the Secretary. Minutes which have been signed correct by the Chairman of the meeting are prima facie evidence of the proceedings.
  - 3.4. Relations with the Shareholder

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- 3.4.1. To act as the Company's leading representative and be the spokesperson at functions and meetings to present the aims and policies of the Company.
  - 3.4.2. To maintain sound relations with the Company's shareholder and ensuring that the effective communication and disclosures are being carried out.
  - 3.4.3. To ensure that all directors be made aware of the main concerns of the shareholder and key stakeholders and that their views be communicated to the Board as a whole.
- 3.5. Induction, Development, Succession and Performance Evaluation
- 3.5.1. To ensure that newly appointed directors participate in an induction program with the support of the Company Secretary.
  - 3.5.2. To ensure that the development needs of the directors are identified and appropriate training be provided to continuously update the skills and knowledge of the directors so that they fulfill their role on the Board and its Committees.
  - 3.5.3. To identify the development needs of the Board as a whole to promote its effectiveness as a team.
  - 3.5.4. To oversee a formal succession plan for the Board, Managing Director and certain senior management position, in collaboration with the CGC.