

# Corporate Governance Code

## Introduction

This document is a guide for the Corporate Governance structure of the VSH Group. It is supplementary to the statutory provisions of VSH and its operating companies.

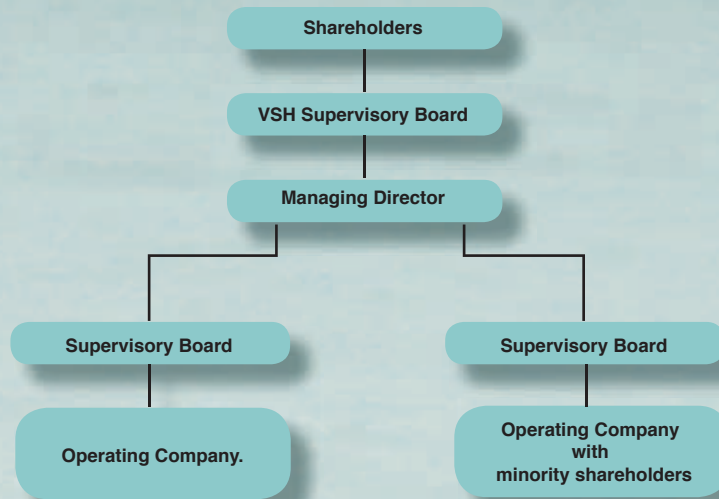
The structure of the VSH Group is as follows:

The bodies mentioned in the above diagram are regulated according to the by-laws of United Suriname Holding Company and the by-laws of the operating companies.

This document is therefore an elaboration on the statutory regulations.

The Code aims to achieve the following objectives:

- a) Assignment of duties, responsibilities and authority to the corporate body's
- b) To define the reporting lines within VSH group



## Definitions

- a) Holding: N.V. Verenigde Surinaamse Holdingmij.- *United Suriname Holding Company.*
- b) Operating Company: a 100% subsidiary of the Holding.
- c) Operating Company with minority shareholders: the Holding holds 50% or more of the shares (possibly, in combination with strategic partners)
- d) Associated Company: a company in which the Holding has a substantial shareholding but less than 50%
- e) VSH Group: the total of the Holding and Operating Companies.
- f) VSH Supervisory Board: The Supervisory Board of Directors of the Holding.
- g) Supervisory Board: A Supervisory Board of Directors of an operating company
- h) Holding Director: the Managing Director of the Holding Company.
- i) Operating Director: the Managing Director of an Operating Company

## Article 1

### Status of the Code

1.1

The Code is enacted by the VSH Supervisory Board after consulting the Holding Director. Should the Code be in conflict with the laws of the Republic of Suriname or with the by-laws of the VSH Group, these last will prevail.

1.2

Should one of the provisions of the Code be annulled, the other provisions remain in force.

1.3

The Code aims to implement the principles of "good governance". The corporate bodies shall pursue their responsibilities and dispense their authority based on these principles, for the good of the Company.

## Article 2

### By-laws

2.1

The duties, responsibilities and authority of the corporate bodies of the Holding and the Operating Companies are established in the By-laws. This document supplements and explicates the By-laws.

## Article 3

### Duties of the VSH Supervisory Board

3.1

According to the Holding By-laws the members of the VSH Supervisory Board are appointed by the General Meeting of Shareholders. Nominees to be so appointed are selected based on a description profile of members of the VSH Supervisory Board. The By-laws further stipulate which decisions require approval of the VSH Supervisory Board.

3.2

An important part of the supervisory function of the VSH Supervisory Board is the monitoring of the performance of the Holding Director based on the policies laid down and on the results of the VSH Group.

3.3

The supervisory role of the Board is supported by the Planning and Appraisal Cycle (article 8) and by Internal Audit (article 9)

3.4

The VSH Supervisory Board meets regularly, at least once a month and further as often as necessary. The Chairman of the VSH Supervisory Board sets the agenda of the meetings.

3.5

On a rotated basis meetings place emphasis on the business sectors (shipping, trading, industry, investments and real estate), and /or other for VSH relevant items (strategic planning or general policies including; succession planning and performance assessment, risk management, health safety and environment), assessment of the performance of the Holding Director and of the Supervisory Board. The goal

is to discuss each sector and each policy field at least twice a year.

3.6

The VSH Supervisory Board meets together with the Holding Director, except during self assessment of the Board and when assessing the performance of the Holding Director. A member of the Supervisory Board may request that a meeting be held without the Holding Director present. Other persons such as Operating Directors, or external advisors, may be invited to attend meetings if and when the Chairman deems it necessary.

3.7

A nominee for appointment by the general Shareholders Meeting as Holding Director is selected based on a description profile drafted by the Supervisory Board. The salary and other benefits of the Holding Director are laid down in an employment agreement by the Supervisory Board. The employment agreement shall provide for termination of employment with notice given of not longer than six months.

3.8

The Supervisory Board supports the Holding Director with advice, whether requested or not. In addition, the Supervisory Board approves once a year: (1) the budget of the VSH Group, (2) the financials of the VSH Group for presentation to the General Shareholders Meeting for adoption by resolution.

3.9

Once a year the VSH Supervisory Board evaluates the performance of the Holding Director. This evaluation is prepared by a committee which includes the Chairman of the Board and is discussed with the Holding Director. The evaluation is adopted in a Board meeting with all members present.

3.10

Once a year the VSH Supervisory Board evaluates its own performance (self assessment).

3.11

During the General meeting of Shareholders the VSH Supervisory Board reports on the following subjects:

- Appointments, dividend payments and other business which requires the approval of the shareholders meeting.
- Strategy and risk
- Corporate Governance
- The performance of the Holding Director
- The performance of the VSH Supervisory Board

#### **Article 4**

##### **The relationship with the external accountant**

4.1

The VSH Board of Directors appoints, for account of the company, an external accountant to audit the books and the performance of the financial administration and to prepare an Auditors Report and an Auditors Statement. In addition, to report on other specific subjects as requested.

4.2

In addition to producing an Auditors Report and Auditors Statement, the accountant shall report issues and suggestions for improvements in a management letter. The accountant discusses the issues in the management letter with the Holding Director and the Head of Internal Audit and includes their comment before the letter is presented to the Supervisory Board.

4.3

The VSH Supervisory Board discusses the management letter with the accountant in a meeting. The VSH Supervisory Board may find it advisable to invite the Holding Director and the Head of Internal Audit to attend this meeting.

4.4

The VSH Supervisory Board meets at least once a year with the accountant to discuss the audit plan and progress regarding improvements suggested in the management letter.

#### **Article 5**

##### **Duties of the Holding Director**

5.1

The Holding Director manages the Holding and represents VSH in the Operating Companies and Associated Companies.

5.2

The Holding Director regularly reports to the VSH Supervisory Board on the performance of the VSH Group. These reports are supported by variances analyses. Furthermore, the Holding Director reports monthly on the following:

- The financial results of the previous month and year to date versus the budget;
- "key performance indicators" versus plan;

- Profit & Loss account and cash flow analyses, including a variance analyses versus the annual budget;
- Important issues during the previous month;
- Assessment of future developments;

5.3

The Holding Director prepares (whether or not required by the By-laws) reports and policy papers (including yearly plans, budgets, financials, strategic plan) for approval by the VSH Supervisory Board.

5.4

The Holding Director monitors the performance of the Operating Directors and guides them regarding strategic issues. On operational issues he advises the Operating Companies. Guidance is given to the Associated Companies in consultation with the Supervisory Board of the Associated Company.

5.5

The Holding Director will consult the VSH Supervisory Board regarding appointments, suspension or termination of employment of Managing Directors and Supervisory Directors of Associated Companies.

5.6

The Holding Director shall on a regular basis report important developments regarding the Associated Companies to the Supervisory Board.

#### **Article 6**

##### **Duties of the Supervisory Board of Operating Companies**

6.1

Each Operating Company has a Supervisory Board of Directors. This Board monitors the Operating Company

6.2

The members of the Supervisory Board are appointed by the General Meeting of Shareholders. The Supervisory Board of a 100% subsidiary shall include the Holding Director as chairman, and one or more members of management of the Holding. In an Operating Company with minority shareholders the Supervisory Board shall include the Holding Director, one or more members of management of the Holding and in consideration of the interest of the minority shareholders one or more independent persons.

6.3

Nominations of Operating Directors to be appointed by the General Meeting of Shareholders are made based on a profile description by the Supervisory Board. The salary and other benefits of the Operating Directors are laid down in an employment agreement by the Supervisory Board. The employment agreement shall provide for termination of employment with notice given of not longer than six months.

6.4

The By-laws of the Operating Companies stipulate which decisions require the approval of the Supervisory Board. The Supervisory Board shall present such decisions through intervention of the Holding Director to the VSH Supervisory Board and shall follow the recommendation of the VSH Supervisory Board.

#### **Article 7**

##### **Duties of the Operating Director**

7.1

The Operating Director operates and manages the Operating Company under supervision of the Supervisory Board of such Company.

7.2

The Operating Director, through intervention of the Supervisory Board, reports monthly to the Holding Director on the same topics mentioned in article 5.2. This report is used by the Holding Director in the overall reporting to the VSH Supervisory Board.

7.3

The Operating Director prepares the plans and reports. (incl. annual plans, the budget, yearly financials, strategic plan). These are used by the Holding Director in the overall reporting to the VSH Supervisory Board.

7.4

The Operating Director implements his plans and policies in line with the strategic goals and regulations of the VSH Group.

#### **Article 8**

##### **Planning and appraisal cycle**

8.1

The Holding Director prepares for every period of 5 to 10 years a strategic plan in which the vision, strategy and goals of the VSH Group are outlined. The strategic

plan is prepared in a transparent manner by involving the various stakeholders including the Supervisory Boards, Operating Directors and staff of the Holding and Operating Companies.

8.2

The planning and appraisal cycle of the VSH Group contains the following components:

- a) A policy plan with a horizon of 3 years;
- b) An annual plan for the following year in which key performance indicators (KPI's) for the various operating sectors are defined;
- c) Budgets related to the plans including investment and finance budgets;
- d) Monthly reports regarding the financial results versus the budget, the progress of plans and the KPI's;
- e) Half yearly self appraisal by the Operating Directors;
- f) The annual financials and management report which is to be presented to the General Meeting of Shareholders;
- g) The report of the external accountant.

The documents mentioned under (a,b,c and f) require approval of the VSH Supervisory Board.

8.3

The VSH Board of Directors adopts the policy plan no later than 31 October of the year preceding the year for which the plan is applicable. The plan is of an evolving nature and is therefore evaluated no later than 31 October of each following year and adjusted if necessary, until the end of the planning period. The policy plan is the basis for the detailed annual plans and the half yearly appraisal cycle.

8.4

The annual plans are prepared by the Operating Directors and integrated by the Holding. The VSH Supervisory Board approves the overall annual plan no later than 31 October of the current year.

8.5

The annual plan may be adjusted during the period should changed circumstances make such adjustments necessary.

8.6

The half yearly self appraisal is carried out by the Operating Directors and contains an assessment of:

1. Risk management;
2. Operational result versus the budget and progress versus the formulated objectives and the KPI's;
3. Compliance;
4. Succession in key management positions;
5. Health safety and environment.

8.7

The Holding Director or an officer (or department) appointed by him, evaluates the appraisals of the Operating Company's guides and advises the Operating Directors regarding improvements and adjustments to the operational management in order to achieve the objectives. When evaluating, guiding and advising the Holding Director follows the recommendations of the Internal Audit Department.

8.8

The Holding Director presents his report including recommendations regarding the appraisals to the VSH Supervisory Board not later than 15 August respectively 15 February.

#### **Article 9**

##### **Internal Audit**

9.1

The VSH Group has at its disposal an Internal Audit Department responsible for providing assurance regarding the financial and ICT processes of the VSH Group according to IFRS Standards.

9.2

The Internal Audit Department has far reaching authority in order to guarantee its independence. This authority is defined in the "Internal Audit Charter".

#### **Article 10**

##### **Accountability**

10.1

The Holding Director and the Operating Directors are accountable to their respective Supervisory Boards regarding the achievement of objectives, the developed and implemented policies and the operational management of the entire organization.

10.2

Accountability of the Holding Director and the Director of a Operating Company with minority interest is given in a meeting of the Supervisory Board of that Company or in an announced and planned discussion between the Directors and the Supervisory Board.

10.3

Accountability of the Operating Directors is given through intervention of the Supervisory Board of the Operating Company to the Holding Director.

#### **Article 11**

##### **Final provisions**

11.1

This Code can be revised by the VSH Supervisory Board in consultation with the Holding Director.

11.2

Every two years, in February, the VSH Supervisory Board as well as the Holding Director evaluate the Code to determine if it still meets with the required standards.

Approved and adopted on 18 January 2010 at Paramaribo, Suriname

**N.V. Verenigde Surinaamse Holdingmij.-**  
*United Suriname Holding Company*

The VSH Supervisory Board For them,  
**H.R. Lim A Po , Chairman**