

## **5. CORPORATE GOVERNANCE**

PORTS is committed to maintaining the highest levels of ethical behavior from all its employees. The foundation of PORTS' corporate governance rests on several basic principles: zero tolerance, internal accountability and independent supervision.

*Zero Tolerance:* The Group maintains a strict zero-tolerance policy on any and all infringements of its corporate code of conduct.

*Internal Accountability:* The Group has developed extensive internal control and accounting systems that are designed to provide reasonable assurance that assets are protected from unauthorized use or transfer and transactions are executed consistent with management authorization. Qualified and trained employees are located in all divisions within the Group to maintain and monitor corporate governance.

*Independent Supervision:* The Company's audit procedures are strictly monitored by independent board members, who possess appropriate industry and financial experience.

### **5.1 Audit Committee**

The audit committee consists of Mr. Rodney Ray Cone and Ms. Valarie Fong Wei Lynn, who are both independent non-executive directors of the Company. Mr. Rodney Ray Cone is the chairman of the audit committee.

### **5.2 Corporate Social Responsibility**

The Group frequently monitors its suppliers to ensure that adherence to national labor laws and international best practices on labor, health and environmental standards are met.

### **5.3 Corporate Governance Officer**

The management team is pleased to announce that it is in the process of nominating an existing board member to the post of *Corporate Governance Officer*. This initiative will build upon the principles that the Group has followed strictly in the past. The *Corporate Governance Officer* will meet with senior management frequently to monitor corporate governance as well as to develop new processes and systems to ensure compliance and the Group's adherence with industry best practices.