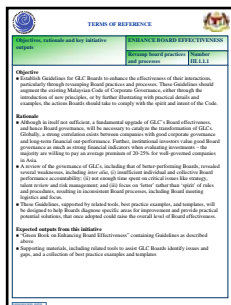


SECTION III - GLC TRANSFORMATION PROGRAM 2005/6 INITIATIVES

- III.1. Enhance Board effectiveness
 - III.1.1 Revamp Board practices and processes
- III.2. Strengthen Directors capabilities
 - III.2.1 Revamp sourcing for Directors
 - III.2.2 Establish Director Academy
- III.3. Enhance GLIC monitoring and management functions
- III.4. Improve regulatory environment
 - III.4.1 Enhance regulatory capabilities at relevant GLCs
 - III.4.2 Establish a regulatory knowledge network
- III.5. Clarify social obligations
- III.6. Review and revamp procurement
 - III.6.1 Red Book on Procurement Policies and Practices
 - III.6.2 Develop effective and transparent procurement practices at GLCs
- III.7. Optimize capital management practices
- III.8. Manage and develop leaders and other human capital
- III.9. Intensify performance management practices
 - III.9.1 “Blue Book” Version 2.0 on Performance Management
 - III.9.2 Enhance market monitoring of GLCs
 - III.9.3 Tighten CEOs KPIs
 - III.9.4 Manage non-performers
 - III.9.5 Implement EVA
- III.10. Enhance operational improvement
 - III.10.1 Manage non-core assets
 - III.10.2 Options for ‘right-sizing’ organisations
 - III.10.3 Customer charter for GLCs in monopoly sectors

INTRODUCTION

This section of the Manual is a “living document” structured using a numbering system to facilitate readability and to allow supplementary information, enhancements and modifications to be easily added during the course of the Transformation Program. There are three types of materials, which are described below.



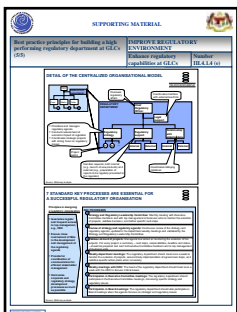
Terms of Reference (“What” to expect)

Description of an initiative, including its objectives, rationale, expected outputs and the required next steps for its implementation. These Initiatives follow-on from the Policy Guidelines as laid out in Section II. The purpose of these “Terms of Reference” are to inform GLCs (and where relevant GLICs) on what to expect in the upcoming months. While no specific action is currently expected from GLCs (and where relevant GLICs) with respect to these “Terms of reference”, its existence should not preclude GLCs (and where relevant GLICs) from beginning and/or continuing any similar related actions, activities or programs.



Guiding Principles (“How-to Books”)

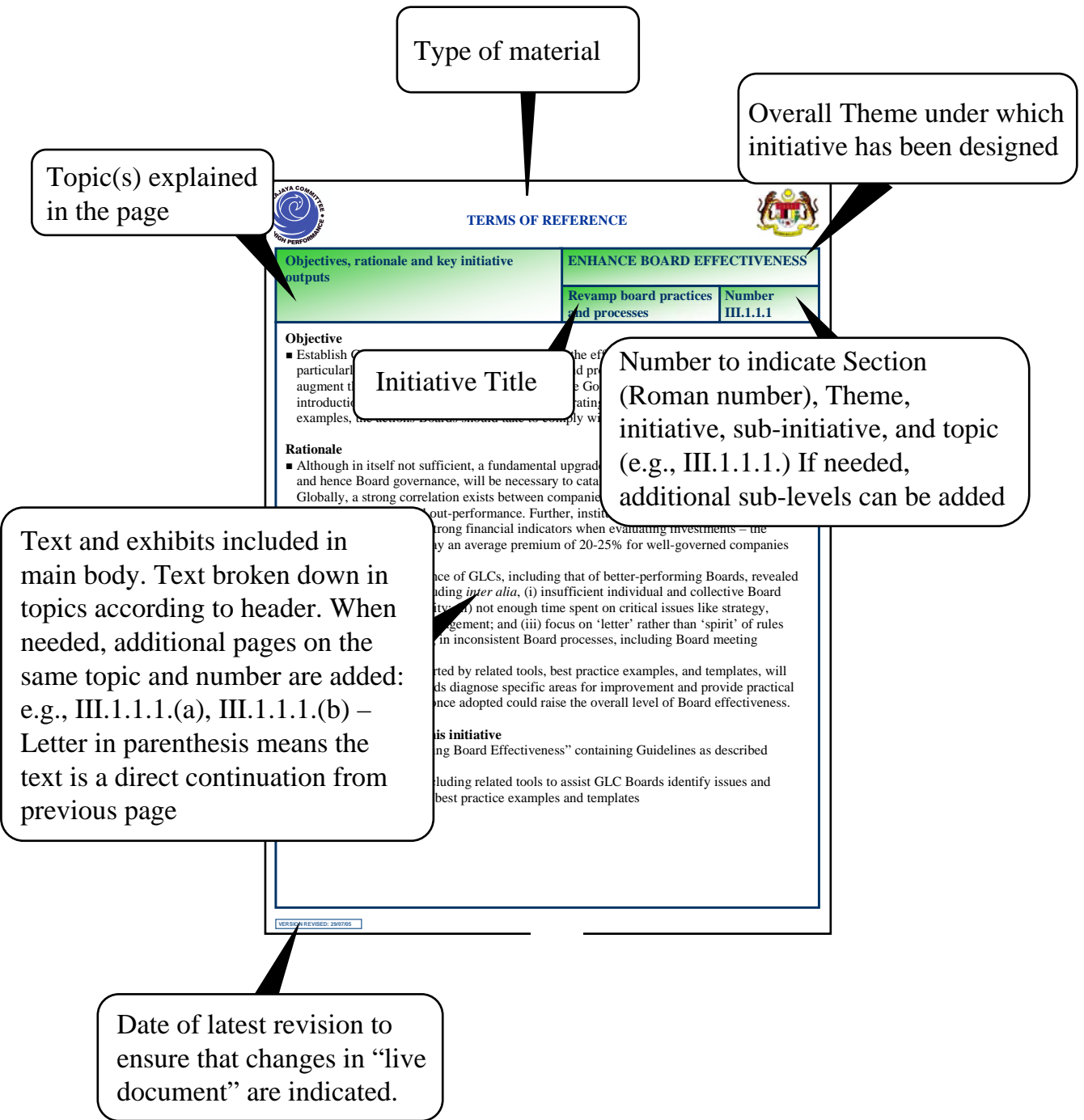
A detailed set of Guiding Principles that are intended to be “how-to books” which will elaborate on the Initiatives derived from the Policy Guidelines (as laid out in Section II) and provide assistance to GLCs (and where relevant GLICs) in their implementation efforts. All GLCs (and where relevant GLICs) are expected to adopt and adhere to these Guiding Principles including the implementation timelines established therein. In some instances, however, these Guiding Principles will be addressed to a smaller sub-set of GLCs, for example, Customer Charters for GLCs operating as natural monopolies.



Supporting Material for Guiding Principles

This is intended to be material to support the Guiding Principles described above, and will include best practice examples, “walk-through” illustrations, templates and additional information.

INSTRUCTIONS



STATUS OF MATERIALS AVAILABLE FOR EACH INITIATIVE

– AS OF 29TH JULY 2005

Initiative	Terms of reference	Guiding Principles	Supporting Material
III.1. Enhance Board effectiveness			
III.1.1 Revamp Board practices and processes	✓		
III.2. Strengthen Directors capabilities			
III.2.1 Revamp sourcing for Directors	✓		
III.2.2 Establish Director Academy	✓		✓
III.3. Enhance GLIC monitoring and management functions	✓		
III.4. Improve regulatory environment			
III.4.1 Enhance regulatory capabilities at relevant GLCs	✓		✓
III.4.2 Establish a regulatory knowledge network	✓		
III.5. Clarify social obligations	✓		
III.6. Review and revamp procurement			
III.6.1 Red Book on Procurement Policies and Practices	✓		
III.6.2 Develop effective and transparent procurement practices at GLCs	✓		
III.7. Optimize capital management practices	✓		
III.8. Manage and develop leaders and other human capital	✓		
III.9. Intensify performance management practices			
III.9.1 “Blue Book” Version 2.0 on Performance Management		✓	✓
III.9.2 Enhance market monitoring of GLCs	✓		
III.9.3 Tighten CEOs KPIs	✓		
III.9.4 Manage non-performers	✓		
III.9.5 Implement EVA	✓		
III.10. Enhance operational improvement			
III.10.1 Manage non-core assets	✓		
III.10.2 Options for ‘right-sizing’ organisations	✓		
III.10.3 Customer charter for GLCs in monopoly sectors	✓		