



# BOARD CHARTER

**AYS** Investment  
Partners

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## **I. INTRODUCTION**

### **I.1. Complementary to Law and Constitution**

These provisions are complementary to the requirements regarding the Board and Board members contained in Mauritian legislation and regulations, the Constitution of the Company and the provisions governing the relationship between the Committees of the Board and the Board as contained in the Terms of Reference of the Board Committees, if any. This charter was adopted by the Board in a meeting held on 25 September 2018.

### **I.2. Charter on Website**

This charter will be posted on the Company's website.

## **2. COMPOSITION OF THE BOARD, POSITIONS, COMMITTEES**

### **2.1. Board Profile, Size, Expertise and Independence**

#### **2.1.1. Board Profile**

The Board shall prepare a profile of its size and composition, considering the nature of the Company's business and its subsidiaries, and the desired expertise and background of the Board members (the 'Board Profile').

#### **2.1.2. Number of Members**

The Board shall have a minimum of two [2] and a maximum of six [6] members.

#### **2.1.3. General Composition**

The Board shall use its best efforts to ensure that:

- (i) its members can act independently of one another;
- (ii) each Board member can assess the broad outline of the Company's overall position;
- (iii) each Board member has sufficient expertise to perform his or her role as a Board member;
- (iv) the Board matches the Board Profile;
- (v) at least one Board member is a financial expert, meaning he/she has expertise in financial administration and accounting for companies similar to the Company in size and sophistication; and
- (vi) at least one Board member is independent as defined in Section 2.1 (d) below.

#### **2.1.4. Independence**

An independent director is a Board member who:

- (i) has not been an employee of the Company or group within the past three years.
- (ii) has not, or has not had within the past three years; a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- (iii) has not received or receive additional remuneration from the Company apart from director's fee or as a member of the Company's pension scheme;
- (iv) is not a nominated director representing a significant shareholder;
- (v) does not have close family ties with any of the Company's advisers, directors or senior employees;
- (vi) does not have cross-directorships nor significant links with other directors through involvement in other companies or bodies; and
- (vii) has not served on the Board for more than nine years from the date of his first election.

### **2.2. (Re) Appointment, Term of Office, Resignation**

#### **2.2.1. Election by Shareholders**

The general meeting of shareholders elects' members of the Board.

#### **2.2.2. Substance of Nominations and Recommendations**

A nomination or recommendation to the general meeting of shareholders for a candidate for the Board shall state:

1. the candidate's age;
2. his or her profession;
3. the amount and nature of any shares held in the Company;
4. any convictions for any crimes involving dishonesty, fraud or breach of trust;
5. the positions he/she holds or has held in the past three years (including memberships on any Board or management governing bodies/executive committees), nominating share holder [if applicable]; and

6. any other information relevant to assess his or her suitability as a member of the Board. The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board for appointment or reappointment of a Board member must be in accordance with this charter.

### **2.2.3. Re-election**

Before recommending a member of the Board for re-election, the Board must carefully consider his or her past performance on the Board.

### **2.2.4. Staggered Retirement**

Board members shall retire according to a rotation plan in line with the Constitution of the Company to avoid too many Board members retiring at the same time. The Board may amend the rotation plan.

## **2.3. Chairperson and Vice - Chairperson**

### **2.3.1. Election**

The Board shall elect a Chairperson and a Vice-Chairperson from among its members. The Vice-Chairperson replaces, and assumes the powers and duties of, the Chairperson when the Chairperson is absent.

### **2.3.2. Duties**

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees. He/She shall act as the spokesman for the Board and is the principal contact for the Managing Director (MD). The MD and the Chairperson of the Board shall meet regularly. The Chairperson of the Board presides over the general meeting of shareholders.

### **2.3.3. Responsibilities**

The Chairperson ensures that:

1. the Board satisfies its duties;
2. Board members, when appointed, participate in an induction program and, as needed, in supplementary training programs;
3. the Board members receive all information necessary for them to perform their duties;
4. the agendas of Board meetings are determined;
5. the Board meetings are chaired in an effective manner;
6. the Board has sufficient time for consultation and decision-making;
7. minutes of Board and committee meetings are kept;
8. the committees function properly;
9. consult with external advisors appointed by the Board;
10. the performance of the Board members is evaluated every year;
11. address problems related to the performance of individual Board members;
12. the Board elects a Vice - Chairperson;
13. internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed; and
14. the Board has proper contact with the Executive Committee.

## **2.4. Company Secretary**

### **2.4.1. Company Secretary**

The Company Secretary assists the Board.

### **2.4.2. General Access**

All Board members may go to the Company Secretary for advice or to use his or her services in relation to the Company's business.

### **2.4.3. Responsibilities**

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under law and the Company's Constitution. The Company Secretary shall assist the Chairperson of the Board in organizing the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

## **2.5. Committees**

### **2.5.1. Establishment of Committees**

The Board may appoint committees from among its members to perform specific tasks. The Board shall determine the members of any committee.

### **2.5.2. Board Responsibility for Committee Action**

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

### **2.5.3. Committee Reporting**

Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the Terms of Reference ('TOR') of the committee concerned, receive a report from the committee describing the committee's actions and findings.

### **2.5.4. Committee Terms of Reference**

The Board shall establish (and may amend) the TOR for each committee. The TOR shall indicate the role and responsibilities of the committee, its composition and how it should perform its duties.

### **2.5.5. Website Disclosure**

The TOR of the committees shall be posted on the Company's website.

## **3. DUTIES AND POWERS**

### **3.1. General Duties and Powers**

#### **3.1.1. General Responsibilities**

The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight.

#### **3.1.2. The Board Acts in the Interest of the Company**

The Board shall act in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders and other stakeholders.

#### **3.1.3. Quality of Performance**

The Board is responsible for the quality of its own performance.

#### **3.1.4. Action in Concert**

As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle.

#### **3.1.5. Provision on Information**

The Chairperson, the Company Secretary and the MD shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to properly function.

#### **3.1.6. Responsibility for Securing Information**

The Board and its individual members each has responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the Company. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

#### **3.1.7. Access to Records**

Each member of the Board has access to the books and records of the Company, if useful to perform his or her duties. Unless the TOR of a committee states otherwise, Board members shall consult with the Chairperson of the Board and the Company Secretary before exercising their rights under this provision.

#### **3.1.8. Use of Experts**

The Board may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board and shall be paid by the Company. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.



### **3.2. Duties Regarding the Supervision of Management**

#### **3.2.1. Nature of Supervision**

In supervising the management, the Board shall consider:

- the achievement of the Company's objectives;
- the strategy and risks in the Company's activities;
- the structure and operation of the internal risk management, and audit and control systems;
- the financial reporting process;
- compliance with law and regulations; and
- any other matters the law requires the Board to consider.

#### **3.2.2. Financial Reporting**

The Board supervises the Company's financial reporting in accordance with Section 4 below.

#### **3.2.3. Annual Risk Review**

At least once a year, the Board shall discuss the Company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

### **3.3. Duties Regarding the Members and the Performance of the Board**

#### **3.3.1. Duties Regarding Board**

The duties of the Board (in consultation with the appropriate Board committees) in relation to the members of the Board include:

- the nomination of members of the Board;
- the determination of the number of Board members, the appointment of a Chairperson and Vice - Chairperson of the Board, the establishment of committees and defining their roles, the evaluation of the Board, its individual members and its committees (including an evaluation of the Board Profile and the induction, education and training program); and
- addressing any conflicts of interest issues between the Company and members of the Board.

#### **3.3.2. Board Assessment**

At least once a year, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board.

### **3.4. Certain Other Duties of the Board**

#### **3.4.1. Duties Generally**

The other duties of the Board include:

- duties regarding the external auditor as described in this Board charter and the TOR of the Audit and Risk Committee; and
- other duties imposed by law, the Company's Constitution, this charter and the TOR of Board's committees.

#### **3.4.2. Annual Report and Accounts**

The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by law and the Company's Constitution.

## **4. SUPERVISION OF FINANCIAL REPORTING**

### **4.1. General Supervision Responsibilities**

The Board supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly and semi-annual financial reports and accounts and any other financial information. The Board also supervises the internal control and audit mechanisms for external financial reporting.

### **4.2. Discussion of Financial Reports**

Management shall regularly provide the Board with reports on the annual report and accounts, and if required by the Board the quarterly and semi-annual financial reports and accounts, which will then be discussed at a meeting of the Board. The annual report and accounts for the year just ended shall be discussed in a meeting with the Board within six months of the year end.

### **4.3. External Auditor**

The Board shall ensure that the external auditor attends the meeting of the Board at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the Board decides whether or not to approve the annual accounts.

**4.4. Principal Contact with External Auditor**

The Board's principal contact with the external auditor is through the Chairperson of the Audit and Risk Committee/ Board.

**4.5. Recommendations by External Auditor**

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the Company's internal controls, as expressed in the 'management letter'.

**5. DUTIES REGARDING NOMINATION AND ASSESSMENT OF EXTERNAL AUDITOR**
**5.1. Appointment of External Auditor**

The external auditor shall be appointed by the general meeting of shareholders. The Board shall nominate a candidate for this appointment to the general meeting of shareholders based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor. The Audit and Risk Committee shall advise the Board on such matters.

**5.2. Compensation of External Auditor**

The compensation of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board thus ensuring for the auditor's independence.

**5.3. Reports to the Board**

The Chairperson of the Audit and Risk Committee/Board shall report his/her dealings with the external auditor to the Board on an annual basis, including his/her assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor providing both auditing and non-audit services to the Company). The Board shall take this into account when deciding its nomination to the general meeting of shareholders for the appointment of an external auditor.

**5.4. Assessment**

At least once every three years, the Board shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The Board will put the external audit contract out to tender at least every 7 years and consider whether the audit partner should be rotated at least every 5 years.

**5.5. Conflicts of Interest**

Conflicts of interest and potential conflicts of interest between the external auditor and the Company shall be resolved as determined by the Board. Board members must inform the Board of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Company.

**5.6. Representation by External Auditor**

When appointed, the external auditor shall state that it is aware of:

- the Company's audit policy; and
- other matters provided for in this charter and that it agrees to abide by and promote such policies.

**6. COMPENSATION OF MANAGEMENT AND BOARD MEMBERS**
**6.1. Annual Remuneration Report**

The Board shall annually prepare a remuneration report setting out the policies and activities of the past year and an overview of the remuneration policy and planned activities for the next financial year and subsequent years.

**6.2. Approval by the General Meeting**

The remuneration policy planned for the next financial year and subsequent years as specified in the remuneration report shall be submitted to the general meeting for its approval. Schemes whereby Board members and other senior managers are remunerated in the form of shares or rights to subscribe for shares, and major changes to such schemes, shall be submitted to the general meeting for its approval.

**6.3. Remuneration of Executive and Non-Executive board members**

The Board shall determine the compensation of the executive and non-executive Board members within the terms of the remuneration policy adopted by the general meeting.

**6.4. Extraordinary Compensation**

If a Board member or former Board member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report. The remuneration report shall detail and explain any compensation paid or promised as severance pay to a Board member.

## **7. RELATIONS WITH SHAREHOLDERS**

### **7.1. Equal and Simultaneous Information**

Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

### **7.2. General Meeting, Record Date, Venue**

The Board shall determine the date and place of any general meeting and a record date for the exercise of the voting and any other rights attached to the Company's securities at such meeting. The Board shall use its best efforts to provide shareholders with all information necessary or requested for the shareholders to properly act at the general meeting.

### **7.3. Compliance with Law**

The Board shall ensure all laws are complied with, regarding the rights of the general meeting and of individual shareholders.

### **7.4. Attendance by Board members**

The Chairperson shall ensure that (unless there are important reasons) all the members of the Board shall attend the general meetings.

### **7.5. Chairperson of General Meetings**

The general meetings are presided over by the Chairperson of the Board or, in his or her absence, the Vice - Chairperson of the Board. The Board may designate someone else to preside over the meeting.

### **7.6. Disclosure of Resolutions**

A resolution of the general meeting shall be publicly disclosed only through a statement from the Chairperson of the Board or the Company Secretary.

### **7.7. Changes to Corporate Governance**

Any substantial change to the corporate governance structure of the Company shall be submitted to the general meeting for discussion under a separate agenda item.

### **7.8. Attendance by external auditor**

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the general meeting and is available to address the meeting. The external auditor may be questioned by the general meeting in relation to the audit of the Company's financial statements.

## **8. BOARD MEETINGS AND DECISION-MAKING**

### **8.1. Frequency, Notice, Agenda and Venue of Meetings**

#### **8.1.1. Frequency**

The Board shall meet as often as necessary, but not less than two (2) times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board or two other members of the Board.

#### **8.1.2. Notice and Agenda**

Meetings of the Board are called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members at least three (3) calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairperson shall consult with the MD prior to convening the meeting on the content of the agenda. Each Board member and the MD has the right to request that an item be placed on the agenda for a Board meeting; provided that the item is notified to the Chairperson at least ten days prior to the meeting.

#### **8.1.3. Venue**

Board meetings are generally held at the offices of the Company but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

### **8.2. Attendance of and Admittance to Meetings**

#### **8.2.1. Attendance by MD**

The MD even where he/she is not a member of the Board, shall attend Board meetings unless the Board instructs him not to attend. If requested by the Board, other executives shall also attend meetings of the Board in whole or in part.

#### **8.2.2. Alternate Director**

A Board member may be represented at Board and committee meetings by his/her alternate.

**8.2.3. Undue Absence**

If a Board member is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.

**8.2.4. Attendance by Non-Members**

The admission to a meeting of persons other than Board members, the MD, the Company Secretary and (if invited) other executives shall be decided by majority vote of the Board members present at the meeting.

**8.3. Chairperson of the Meeting**
**8.3.1. Chairperson**

Board meetings are presided over by the Chairperson of the Board or, in his or her absence, the Vice - Chairperson. If both are absent, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.

**8.4. Decision-Making within the Board**
**8.4.1. Preference for Unanimity**

The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

**8.4.2. Individual Vote**

Each Board member has the right to cast one vote.

**8.4.3. Majority Vote, Quorum**

Quorum for meetings shall be a majority of Board members.

Where unanimity cannot be reached and the law, the Company's Constitution or this charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote.

**8.4.4. Adoption at Meeting**

Resolutions of the Board are adopted at a Board meeting.

**8.4.5. Written Consent**

Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board members and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board members. A statement from a Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he/she does not object to this form of adoption.

**8.4.6. Emergency Procedures**

The Board may deviate from the provisions of Sections (c), (d) and (e) if this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances of the case, provided that all Board members are allowed the opportunity to participate in the decision-making process. The Chairperson of the Board and the Company Secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Board.

**8.4.7. Minutes**

Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the Chairperson of the meeting and then added to the Company's records. Each member of the Board shall receive a copy of the minutes. Each member of the Board may demand a note explaining how he/she voted or that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

**8.4.8. Certification of Resolutions**

A resolution adopted by the Board shall be publicly disclosed only through a statement from the Chairperson of the Board and/or the Company Secretary and/or the MD.

**9. OTHER PROVISIONS**
**9.1. Conflicts of Interest of Board Members**
**9.1.1. Duty to Disclose**

A Board member shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

### **9.1.2. Related Party Transactions**

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party, and the Company shall develop a policy on how to ensure that the rights of shareholders are protected during such transactions. A related party includes the following:

1. the Board members of the Company, its parent Company, affiliated or sister companies and associates;
2. a parent Company and any subsidiary or affiliated Company that is not wholly owned;
3. the MD, and key officers, including anyone who directly reports to the Board or the MD;
4. any significant shareholder owning or controlling more than 5% of the voting shares having the ability to control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders or governing Board members of the Company, its parent Company, affiliated or associated companies;
5. the father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Clauses (i, ii and iii);
6. any business, and the governing Board members, MD and key officers of any business, in which the natural persons listed in paragraphs (i) to (v) own jointly or severally at least 5% of the voting rights; and
7. any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs (1) to (4).

### **9.1.3. Abstention by Conflicted Party**

A Board member shall not take part in any discussion or decision-making regarding any subject or transaction in which he/she has a conflict of interest with the Company.

### **9.1.4. Requirements to Approve Conflicts of Interest**

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

## **9.2. Induction Program, Ongoing Training and Education**

### **9.2.1. Induction Program**

Upon his or her election, each Board member shall participate in an induction program that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member.

### **9.2.2. Annual Review of Training**

The Board shall conduct an annual review to identify areas where the Board members require further training or education.

### **9.2.3. Costs of Company**

The costs of the induction course and any training or education shall be paid for by the Company.

## **9.3. Other Positions**

### **9.3.1. No Excess Memberships**

Members of the Board shall limit their other positions so as to ensure they can perform their duties as members of the Board.

### **9.3.2. Notice of Outside Positions**

Board members must inform the Chairperson of the Board and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with this charter. The Company Secretary shall keep a list of the outside positions held by each Board member.

## **9.4. Confidentiality**

### **9.4.1. Duty to Keep Information Confidential**

Unless required to do so by law, no Board member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Company and which he/she knows or should know to be of a confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

### **9.4.2. Return of Confidential Information**

At the end of each Board member's term of office, he/she shall return all confidential documents in his or her possession to the Company or guarantee their disposal in a manner that ensures confidentiality is preserved.

**9.4.3. Notice of Disclosure**

If a Board member intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

**9.5. Miscellaneous****9.5.1. Amendment**

The Board shall review and reassess the adequacy of its charter every five years or as and when required.

**9.5.2. Interpretation**

In case of uncertainty or difference of opinion on how a provision of this charter should be interpreted, the opinion of the Chairperson of the Board shall be decisive.

**9.5.3. Partial Invalidity**

If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.