

THE MAURITIUS DEVELOPMENT INVESTMENT TRUST CO LTD

(the “Company”/”MDIT”)

BOARD CHARTER

1. Introduction

- **Complementary to Law and Constitution**

These provisions are complementary to the requirements regarding the MDIT Board and Board members contained in Mauritian legislation and regulations, the MDIT Constitution and the provisions governing the relationship between the MDIT Board of Directors and the MDIT Board Committees as contained in the charters of the Board Committees which have been adopted by the Board.

- **Charter on Website**

This Charter is posted on the MDIT’s website www.mdit.mu.

2. Composition of the Board; Positions; Committees

- **Board Profile, Size, Expertise and Independence**

- a. **Board Profile**

The Board, in consultation with the Corporate Governance Committee shall recommend a profile of its size and composition, considering the nature of the Company’s business, and the desired expertise and background of the Board members.

- b. **Number of Members**

After consultation with the Corporate Governance Committee, the Board determines the number of Board members. The Company shall have not less than nine (9) and not more than twelve (12) Directors.

- c. **General Composition.**

The Board shall use its best efforts to ensure that its members:

- i. can act critically and independently of one another;
 - ii. can assess the broad outline of the Company’s overall policy;
 - iii. have sufficient expertise to perform their role as a Board member within the Board Profile;
 - iv. match the Board Profile;
 - v. count at least one Board member who is a financial expert, with expertise in financial administration and accounting for companies similar to the Company in size and sophistication; and
 - vi. include non-executive directors who are independent as defined in the Mauritius Code of Corporate Governance.

- **Appointment; Term of Office; Resignation**

- a. **Election by Shareholders**

The members of the Board are elected at the Annual Meeting of shareholders.

- b. **Substance of Nominations and Recommendations.**

The Corporate Governance Committee recommends to the Board nominations to be put before the Annual Meeting of shareholders in line with the Board Profile. The Board approves these nominations.

A nomination or recommendation to the Annual Meeting of shareholders for a candidate for the Board shall state:

- i. the candidate's age;
- ii. his or her profession;
- iii. a short profile including academic qualifications;
- iv. any convictions for any crimes involving dishonesty, fraud or breach of trust;
- v. the positions s/he holds or has held in the past five years (including Boards of directors or Boards of management, Executive business committees or as a nominated shareholder); and
- vi. any other information relevant to assess the suitability of a member of the Board.

c. Re-election.

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

d. Retirement

Board members shall retire as per the provisions of the Company's Constitution.

• **Chairperson**

a. Election.

The Board shall elect a Chairperson from among its members.

b. Duties.

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees. S/he shall act as the spokesperson for the Board and is the principal contact for the Manager. The Chairperson of the Board and the Manager shall meet regularly. The Chairperson of the Board presides over the Annual Meeting of shareholders.

c. Responsibilities.

The Chairperson ensures that:

- i. the Board satisfies its duties;
- ii. Board members, when appointed, participate in an induction programme and, as needed, additional education or training programmes;
- iii. the Board members receive all information necessary for them to perform their duties;
- iv. the Agenda of Board meetings are determined;
- v. the Board meetings are chaired in an effective manner;
- vi. the Board has sufficient time for consultation and decision-making
- vii. minutes are kept of Board and Committee meetings;
- viii. the Committees function properly;
- ix. there is consultation with external advisors appointed by the Board;
- x. the performance of the Board and its members is evaluated every year;
- xi. internal disputes and conflicts of interest concerning individual Board members are addressed, as well as the possible resignation of such members as a result; and
- xii. the Board has proper contact with the Management.

• **Company Secretary**

a. Company Secretary

The Company Secretary assists the Board.

b. 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.

c. Responsibilities

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Company's Constitution and law including the Companies Act 2001 namely:

- i. providing the Board with guidance as to its duties, responsibilities and powers;
- ii. informing the Board of all legislation relevant to or affecting meetings of shareholders and directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation;
- iii. ensuring that minutes of all meetings of shareholders or directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule and all statutory registers be properly maintained;
- iv. certifying in the annual financial statements of the company that the company has filed with the Registrar all such returns as are required of the company under this Act;
- v. ensuring that a copy of the company's annual financial statements and where applicable the annual report are sent in accordance with sections 219 and 220 to every person entitled to such statements or report in terms of this Act.

The Company Secretary shall also 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).

• **Committees**

a. Establishment of Committees.

The Board may set up Committees from among its members to perform specific tasks. The Board shall determine the members of any committee. The Board shall establish an Audit and Risk Committee, an Investment Committee and a Corporate Governance Committee.

b. 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.

c. Committee Reporting.

Each Committee must promptly inform the Board of its actions 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 Charter of the Committee concerned, receive a report from the Committee describing its actions and findings.

d. Committees' Charters.

The Board shall establish (and may amend) a charter for each Committee. The Charters shall indicate the role and responsibilities of the Committee, its composition and how its duties should be performed.

e. Website Disclosure.

The Charters and the compositions of the Committees shall be posted on the Company's website.

3. Duties and Powers

• **General Duties and Powers**

a. General Responsibilities.

The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board. The entire Board is responsible for such supervision and oversight.

The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company.

b. The Board Acts in the best interests of the Company.

The Board shall act in the best interests of the Company and its business, whilst ensuring that its decisions are not detrimental to the legal interests of its stakeholders in general.

c. Quality of Performance

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

d. 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.

e. Provision of Information

The Chairperson and the Manager 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.

f. Responsibility for Securing Information.

The Board and its individual members each have responsibility for obtaining all information from the Management and the External Auditor 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 Company shall aid the Board in obtaining such information. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

g. 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 charter 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.

h. 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.

• **Duties Regarding the Supervision of Management**

a. Nature of Supervision.

In supervising the Management, the Board shall consider:

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

b. Financial Reporting.

The Board supervises the Company's financial reporting in accordance with the terms of this Board Charter below.

c. 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.

d. Resolutions Subject to Approval.

The following resolutions are subject to the approval of the Board:

- i. all major investment transactions and decisions including major acquisitions and disposal of investments;
- ii. all material transactions in which Board members may be interested as defined by the Companies Act 2001
- iii. the appointment of new Board members;
- iv. the appointment and removal of the Company Secretary;
- v. the remuneration of Board members;
- vi. all Financial Statements and Net Asset Value before filing and/or publication; and
- vii. all other acts that require the approval by law, the Company's Constitution or this Board Charter.

• **Duties and Performance of the Board**

a. Duties of the Board.

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

- i. the nomination of Board members (the appointment is made at the Annual Meeting of shareholders);
- ii. the determination of the number of Board members, the appointment of a Chairperson, the establishment of Committees and defining their role, 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
- iii. addressing any conflicts of interest issues between the Company and Board members.

b. Board Self-Assessment

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

• **Certain Other Duties of the Board**

a. Duties Generally

The other duties of the Board include:

- i. duties regarding the External Auditor as described in this Board Charter and the Audit and Risk Committee Charter; and
- ii. other duties imposed by law, the Company's Constitution, this Board Charter and the charters of the Board Committees.

b. Annual Report and Information.

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

4. Supervision of Financial Reporting

a. General Supervision Responsibilities.

The Board, in consultation with the Audit and Risk Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts and

any other financial information. The Board, through the Audit and Risk Committee, also supervises the internal control and audit mechanisms for external financial reporting.

b. Discussion of Financial Reports.

The Audit and Risk Committee shall regularly, and in any event as soon as possible, provide the Board with reports on the Company's Financial Statements, which will then be discussed at a meeting of the Board. The Annual Report and Financial Statements for the year shall be discussed in a meeting with the Board within three months after the year end.

c. External Auditor.

The Board shall ensure that the External Auditor attends the meeting of the Board at which the report on the audit of the annual Financial Statements is discussed, and at which the Board decides whether or not to approve the annual Financial Statements. The External Auditor shall be given the opportunity to respond to all information disclosed therein.

d. Audit and Risk Committee is Principal Contact with External Auditor.

The Board's principal contact with the External Auditor is through the Chairperson of the Audit and Risk Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit and Risk Committee and the External Auditor.

e. 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.

a. Appointment of External Auditor

The External Auditor shall be appointed at the Annual Meeting of shareholders. The Board nominates a candidate for this appointment 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.

b. Compensation of External Auditor.

The compensation of the External Auditor, and instructions given to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the Audit and Risk Committee, thus ensuring total independence.

c. Reports to the Board.

The Audit and Risk Committee shall report their dealings with the External Auditor to the Board on an annual basis, including their 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 making its recommendations to the Annual Meeting of shareholders for the appointment of an External Auditor.

d. Assessment.

At least once every three years, the Audit and Risk Committee 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 main conclusions of this assessment shall be communicated to the Annual Meeting of shareholders so it may consider the recommendation for the appointment of the External Auditor.

e. Conflicts of Interest.

Conflicts of interest and potential conflicts of interest between the External Auditor and the Company shall be resolved in accordance with the policies laid down by the Board and as determined by the Board on the recommendation of the Audit and Risk Committee. Board members must inform the Chairperson of the Audit and Risk Committee 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.

f. Representation by External Auditor

When appointed, the External Auditor shall state being aware of:

- i. the Company's policy set out in this Board Charter; and
- ii. other matters provided for in this Board Charter and the Audit and Risk Committee Charter and being agreeable to abide by and promote such policies.

6. Directors' Remuneration

a. Board Members

Directors are remunerated as per the Board policy - after consultation with the Corporate Governance Committee.

7. Relationship with MDIT shareholders

a. 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 influence the share price.

b. Annual Meeting of shareholders; Record Date; Venue.

The Board shall determine the date and place of any Annual Meeting of shareholders and a record date for the exercise of the voting at such meeting. Unless there is an overriding Company interest to act otherwise, the Board shall use its best efforts to provide members with all information necessary or requested for to properly act at the Annual Meeting of shareholders. If the Board believes the Company does have an overriding interest, it must state why it so believes.

c. Compliance with Law.

The Board shall ensure all laws are complied with, regarding the rights of the Annual Meeting of shareholders and of individual members.

d. Attendance by Boards Members

The Chairperson shall ensure that (unless there are important reasons) all the members of the Board shall attend the Annual Meeting of shareholders.

e. Chairperson of Annual Meetings.

The Annual Meeting of shareholders is presided over by the Board Chairperson. The Board may designate someone else to preside over the Annual Meeting of shareholders in the absence of the Chairperson.

f. Disclosure of Resolutions.

A resolution of the Annual Meeting of shareholders may be publicly disclosed only through a duly-authorised statement from the Chairperson of the Board or the Company Secretary.

g. Changes to Corporate Governance.

Any substantial change to the corporate governance structure of the Company shall be submitted to the Annual Meeting of shareholders for discussion under a separate Agenda item.

8. Board Meetings; Decision-Making

- **Frequency, Notice, Agenda and Venue of Meetings**

- a. **Frequency.**

- The Board shall meet as often as necessary, but not less than four (4) times a year. If possible, 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 Board Chairperson or two other Board members.

- b. **Notice and Agenda.**

- i. 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 five 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 Manager prior to convening the meeting on the content of the Agenda. Each Board member and the Manager 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.

- ii. Board members who have taken part in a meeting may not object against resolutions adopted at the meeting on grounds of an invalid notice.

- c. **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.

- **Attendance of and Admittance to Meetings**

- a. **Attendance by Manager**

- The Manager, whether a member of the Board or not, shall attend Board meetings unless the Board instructs him/her not to attend. If requested by the Board, other executives shall also attend meetings of the Board in whole or in part.

- b. **Alternates**

- Under the MDIT Constitution, a Director may, by notice given in writing to the Company, appoint any person (including any other Director) to act as an Alternate Director in his place, either generally, or in respect of a specified meeting or meetings at which he is not present.

- c. **Undue Absence.**

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

- d. **Attendance by Non-Members.**

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

- **Chairperson of the Meeting; Reports**

- a. **Chairperson.**

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

b. Report.

The Manager (or any other person designated for such purpose by the Chairperson of the meeting) shall prepare a report at each Board meeting, which comprises a review of the local market and an analysis of the Company's performance. The summaries of Corporate Announcements as well as the Purchases and Sales during the quarter shall also be commented on.

• **Decision-Making within the Board**

a. 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.

b. Individual Vote.

Each Board member has the right to cast one vote.

c. Majority Vote; Quorum.

Where unanimity cannot be reached and the law, the Company's Constitution or this Board Charter does not prescribe a larger majority, all resolutions of the Board are adopted by a simple majority of the votes cast. In the event of a tie, the Board Chairperson will record the tie and ask for the issue to be set aside and reconsidered at the next meeting. At a meeting, the Board may only pass resolutions if two-thirds of the Board members are present.

d. Adoption at Meeting.

Resolutions of the Board are adopted at a Board meeting.

e. 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 s/he does not object to this form of adoption.

f. Emergency Procedures.

The Board may deviate from the provisions of this Board Charter only where this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances of the situation, provided that all Board members are allowed the opportunity to participate in the decision-making process. The Board Chairperson 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.

g. 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 s/he voted or that a formal declaration by him or her be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

h. Certification of Resolutions.

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

9. Other Provisions

- **Conflicts of Interest of Board Members**

- a. **Duty to Disclose.**

A Board member shall immediately report to the Board Chairperson any conflict of interest or potential conflict of interest and shall provide all relevant information, in line with applicable law and regulation, as per the MDIT Policy on Related Party Transactions, Conflict of Interests and Procurement Policy. The Board member concerned shall not take part in the Board assessment of whether a conflict of interest exists.

- b. **Abstention by Conflicted Party**

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

- c. **Requirements to Approve Conflicts of Interest.**

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

- d. **Loans and Guarantees.**

The Company does not grant personal loans, guarantees or the like to Board members.

- **Induction Program, Ongoing Training and Education**

- a. **Induction Programme**

Upon his or her election, each Board member shall participate in an Induction Programme 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.

- b. **Annual Review of Training.**

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

- c. **Costs of Company.**

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

- **Other Positions**

- a. **No Excess Directorships.**

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

- b. **Notice of Outside Positions.**

Board members must inform the Board Chairperson 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. The Company Secretary shall keep a list (Register of Interests) of the outside positions held by each Board member.

- **Confidentiality**

- a. **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 knowledge in the capacity of his or her work for the Company and which s/he 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 who, in view of their activities for the Company, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

- b. **Return of Confidential Information.**

At the end of each Board member's term of office, s/he 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.

- c. **Notice of Disclosure.**

If a Board member intends to disclose to third parties information which s/he has become aware of in his or her duties and which may be confidential, s/he 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.

- **Miscellaneous**

- a. **Non-Compliance.**

If permitted by law and the Company's Constitution the Board may occasionally decide, by unanimous decision, at its sole discretion not to comply with the provisions of this Board Charter.

- b. **Amendment.**

This Charter may be amended by the Board at its sole discretion without prior notification.

- c. **Interpretation.**

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

- d. **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.