
CONFLICTS OF INTEREST / RELATED PARTY TRANSACTION POLICY

1. INTRODUCTION

This Policy provides the framework for the Company to effectively identify, evaluate, disclose and manage actual or potential conflicts of interest as well as related party transactions which may arise in relation to the activities of the Company.

This Policy aims to ensure that the conduct of the Directors and Designated Employees within the Company are protected against any appearance of impropriety and that all decisions taken are transparent and in the best interests of the Company and in compliance with statutory requirements, while upholding good governance practices. This Policy further aims to ensure that the rights of shareholders are protected in cases of related party transactions.

This Policy is subject to the provisions of the Companies Act No. 15 of 2001 (the "Act"), the Listing Rules of The Stock Exchange of Mauritius Ltd and the National Code of Corporate Governance of Mauritius (2016).

This Policy has been endorsed by the Board on 3 June 2019.

2. DEFINITIONS

2.1 'Associates' includes:

(a) in relation to a relationship with an individual:

- a spouse and any child or stepchild under the age of 18 years ("the individual's family"); and
- the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object; and
- any company in the equity capital of which the individual and/or any member or members of the individual's family (taken together) are directly or indirectly interested so as to exercise or control the exercise of 20 per cent or more of the voting power at meetings of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary;

(b) in relation to a relationship with any legal person:

- means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control the exercise of 20 per cent or more of the voting power at meetings of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.

2.2 'Board' means the board of Directors.

2.3 'Confidential Information' means information that the Company does not wish to make public and the use and disclosure of which could cause prejudice to the Company (for instance, the marketing strategy, development of new products, listing of clients etc.)

2.4 'Designated Employees' means employees, including Officers, who have access to confidential and unpublished price sensitive information.

2.5 'Director' means a director of the Company.

2.6 'Officer' includes a Director, a Chief Executive, a Chief Financial Officer, a Financial Controller, a Manager, a Company Secretary of the Company.

2.7 'Unpublished price sensitive information' means information which has not been made public and if disclosed, would be likely to have an effect on the price or the value of securities of a reporting issuer (for instance, new major contracts, financial results of the Company etc.)

3. SCOPE

This Policy shall apply to the Directors and Designated Employees of the Company.

4. GOVERNANCE

- 4.1 The Board is ultimately responsible for ensuring that any situations of actual or potential conflicts of interests as well as related party transactions are effectively identified and managed.
- 4.2 In the exercise of its responsibility, the Board has delegated to the Corporate Governance Committee the explicit responsibility for reviewing and making recommendations to the Board on:
- (i) the governance processes to be put in place to identify and address situations of actual or potential conflicts of interest and any changes required to the governance processes from time to time to address more effectively such situations;
 - (ii) situations of actual or potential conflicts of interests of potential candidates prior to their appointment as Directors on the Board; and
 - (iii) situations of actual or potential conflicts of interests of the Directors at the time of renewal of every Director's mandate on the Board.
- 4.3 In addition, the Board has delegated to the Audit & Risk Committee the explicit responsibility for:
- (i) ensuring that the governance processes in place to address situations of actual or potential conflicts of interest are implemented and adhered to;
 - (ii) reviewing and making recommendations to the Board on any situations of actual or potential conflicts of interest other than those dealing with the appointment of potential candidates as directors on the Board and the renewal of the Directors' mandate on the Board;
 - (iii) reviewing and making recommendations to the Board on related-party transactions; and
 - (iv) working with the External Auditor on detecting and reporting on related-party transactions.

5. SITUATIONS OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

- 5.1 A conflict of interests is a situation in which a person has, directly or indirectly (through parents, friends, commercial partners, entities with which the Director is engaged), a personal, professional or business interest sufficient to appear to influence the objectivity of his/her duties within the Company.
- 5.2 Potential Directors, Directors and Designated Employees shall not allow such direct or indirect interest to conflict with their duties and take precedence over the interest of the Company. Directors must make their best effort to avoid conflicts of interest.
- 5.3 Common situations of conflicts of interest include Directors:
- (i) accepting gifts or significant benefits from a supplier or client of the Company in exchange of more favourable terms;
 - (ii) engaging in activities that compete, directly or indirectly, with the businesses in which the Company is engaged;
 - (iii) participating in Board discussions and decisions regarding the purchase or sale of assets of the Company (e.g. property, licenses, line of business etc) to a third party in which the Director is directly or indirectly interested;
 - (iv) acquiring, holding or disposing of a significant number of shares of:
 - (a) a subsidiary of the Company (use of company information);
 - (b) a company whose commercial relationship with the Company is of public knowledge (preferential treatment); or

- (v) accepting a directorship in a company that is not part of the Company's group and which has a commercial relationship with the Company.

- 5.4 A Director may not use his position as director for his personal monetary or non-monetary benefit, or that of third parties.
- 5.5 A potential candidate to be appointed as Director of the Company shall immediately disclose the fact, nature and extent (including the monetary value of the interest where same can be quantified) of his/her interest. The potential candidate shall disclose his/her interest by following the governance process put in place by the Company as depicted in the flow chart in Appendix 1.
- 5.6 A Director or Designated Employee shall, forthwith after becoming aware of the fact that he/she is interested in a related party transaction (see Section 6 below) with the Company or is otherwise involved in a situation of actual or potential conflict of interest, shall:
- (i) immediately disclose the fact, nature and extent (including the monetary value of the interest where same can be quantified) of his/her interest. The Directors shall disclose their interests by following the governance process put in place by the Company as depicted in the flow chart in Appendix 2, while Designated Employees shall disclose their interests to the Company Secretary; and
 - (ii) not take part in any deliberation or any decision-making process in relation thereto.
- 5.7 A Director shall not compete with the Company or become a Director or Officer of a competing company, unless authorised in accordance with section 146 of the Act.
- 5.8 If a Designated Employee is not certain whether he/she is in a conflict of interests and/or related party transaction situation, he/she should discuss the matter with the Ethics Officer or with the Company Secretary, for advice and guidance. A Director shall discuss such matters with the Chairperson.

6. RELATED PARTY TRANSACTIONS

- 6.1 A Director or a Designated Employee shall be deemed to be interested in a related party transaction where he/she:
- (i) is a party to, or shall or may derive a material financial benefit from the transaction;
 - (ii) has a material financial interest in or with another party to the transaction, either directly or indirectly;
 - (iii) is a Director, Officer, or trustee of another party to, or person who shall or may derive a material financial benefit from, the transaction, not being a party or person that is:
 - the company's holding company;
 - a wholly-owned subsidiary of the company; or
 - a wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary.
 - (iv) is the parent, child or spouse of another party to, or person who shall or may derive a material financial benefit from the transaction; or
 - (v) is otherwise directly or indirectly materially interested in the transaction.
- 6.2 A related party also includes the following:
- (i) the members of the Board, its parent company, subsidiary, sister companies and associates or joint ventures;
 - (ii) a parent company and any subsidiary or affiliated organisation that is not wholly-owned;
 - (iii) the CEO or general manager and key officers, including anyone who directly reports to the Board or the CEO;
 - (iv) 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;

- (v) the father, mother, sons, daughters, husband, or wife of any of the natural persons listed in (i) to (iii);
- (vi) any business, and the governing Board members, CEO and key officers of any business, in which the natural persons listed in clauses (i) to (v) own jointly or severally at least 5% of the voting rights; and
- (vii) 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 clauses (i) to (vi).

- 6.3 Related party transactions include, but are not limited to, any arrangements or transactions between the Company or any of its subsidiaries or associate companies and a Director, other Officers, a controlling shareholder or associates of a Director, Officer or controlling shareholder.
- 6.4 The Audit & Risk Committee has the explicit responsibility for reviewing and making recommendations to the Board on any related party transactions, and with the assistance of the Company's External Auditors, shall assess and report on such transactions in the financial statements of the Company.
- 6.5 In terms of the International Accounting Standards, IAS 24 sets the disclosure requirements to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.
- 6.6 Where a related party transaction of the Company falls within the ambit of Chapter 13 of Listing Rules of The Stock Exchange of Mauritius Ltd, such related party transaction shall be disclosed and approved in accordance with the provisions contained therein.

7. MEETINGS OF THE COMPANY

- 7.1 To ensure that Directors have an additional opportunity to disclose whether they are interested in a related party transaction with the Company or is otherwise involved in a situation of actual or potential conflict of interest, the first agenda item for each Board meeting shall expressly deal with the disclosure by any Director of any related party transaction or a situation of actual or potential conflict of interest.
- 7.2 The above disclosure by a Director at a meeting of the Board and the decision taken by the Board to address such a situation should be recorded in the minutes of proceedings of the said meeting. The Director shall abide by the decision of the Board.
- 7.3 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by the Director voluntarily agreeing to abstain from voting, such question shall be referred to the Chairperson and his ruling in relation to any such Director shall be final and conclusive, except in a case where the nature or extent of the interest concerns the Chairperson himself/herself in which case such question shall be referred to the independent Director who has served the most number of years on the Board.
- 7.4 Decisions to enter into any related party transaction and/or transaction giving rise to any situation of actual or potential conflicts of interests with Directors shall require the approval of the Board. The Director concerned by the transaction shall not participate in the discussions of the Board pertaining to the transaction and shall not vote on the matter. If he/she does vote, his/her vote shall not be counted. Moreover, the Director shall not be counted in the quorum for the Board meeting at which the transaction is discussed.

8. NON-COMPLIANCE

- 8.1 In case of non-compliance with this Policy or the failure to immediately disclose any related party transaction or any situation of actual or potential conflict of interests and/or to take any action agreed with the Ethics Officer in a timely manner, a Designated Employee may be subject to disciplinary actions and may also be held personally liable for his/her acts and/or omissions.
- 8.2 Directors shall exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Company. As such, in case of: (i) non-compliance with this Policy; (ii) any failure to immediately disclose any related party transaction or any situation of actual or potential conflict of interests; (iii) too frequent related party transactions or situations of actual or potential conflict of interests, a Director may be required to discuss same with the Chairperson and such Director may eventually be asked by the Chairperson to submit his/her resignation to the Board. If the Director refuses to do so, the Board may recommend the removal of such Director to the shareholders of the Company.

8.3 Directors may also be held personally liable for their acts and/or omissions and may potentially be held criminally liable under section 148 of the Act.

9. ADHERENCE TO THE POLICY

Each Director and Designated Employee shall sign a statement, which confirms that such person:

- (i) has received a copy of this Policy;
- (ii) has read and understood the terms of this Policy;
- (iii) agrees to comply with the terms of this Policy for so long as he/she is a Director and/or Designated Employee, as the case may be.

10. DISCLAIMER

The purpose of this Policy is to provide guidance on the practice to be followed in respect of conflicts of interest and related party transactions and should not, at any point in time, be considered as providing any exemptions to the applicable laws and regulations.

11. UPDATE

This Policy may be updated from time to time to ensure accurate and timely compliance with the applicable laws and regulations.

DISCLOSURE OF MATERIAL CONFLICT
AT THE TIME OF APPOINTMENT ONLY

LETTER OF APPOINTMENT OF PROPOSED DIRECTORS
REQUIRES INTERESTS TO BE DISCLOSED

PROPOSED DIRECTOR DISCLOSES HIS/HER INTERESTS.
IN THAT RESPECT, IBL SHOULD DEVELOP A PRO FORMA
FORM THAT CLEARLY IDENTIFIES THE SITUATIONS WHEN
DIRECTORS OUGHT TO DISCLOSE THEIR INTERESTS

A GENERAL NOTICE IS ENTERED BY THE COMPANY
SECRETARY IN THE INTERESTS REGISTER AT THE TIME
OF APPOINTMENT

BOARD PACK IS SENT TO DIRECTOR

BOARD MEETING

**FIRST ITEM ON AGENDA – DIRECTOR TO DISCLOSE
INTEREST**

RECORDING OF THE INTEREST

THE MINUTES OF THE MEETING OF THE BOARD MUST
INCLUDE A DESCRIPTION OF THE INTEREST AND TAKE
NOTE THAT SUCH INTEREST HAS BEEN ENTERED IN THE
INTERESTS REGISTER.

Note:

- Where a director finds himself in a situation where he faces too frequent conflicts of interest, he must meet the Chairperson to discuss same.
- The Chairperson may seek the advice of the Corporate Governance Committee on the suitability of that director to continue sitting on the board.
- Eventually, the director may be asked to submit his resignation for being unable to comply with the requirements set out in the Board Charter applicable to directors.

NO MATERIAL DISCLOSURE AT THE TIME OF APPOINTMENT –
DISCLOSURE AT A LATER STAGE WHEN CONFLICT SITUATION ARISES

LETTER OF APPOINTMENT OF PROPOSED DIRECTORS REQUIRES INTERESTS TO BE DISCLOSED

PROPOSED DIRECTOR DOES NOT HAVE ANY DISCLOSURE TO MAKE AT APPOINTMENT

PROPOSED DIRECTOR IS APPOINTED

A SITUATION OF CONFLICT ARISES. THE DIRECTOR SHOULD CONSIDER HOW TO BEST TO RESOLVE THE SITUATION OF CONFLICT.

THE DIRECTOR MUST IMMEDIATELY DISCLOSE THE CONFLICT SITUATION TO THE BOARD

A GENERAL NOTICE IS ENTERED IN THE INTERESTS REGISTER BY THE COMPANY SECRETARY

BOARD PACK IS SENT TO DIRECTOR

BOARD MEETING

FIRST ITEM ON AGENDA – DIRECTOR TO DISCLOSE INTEREST

DIRECTOR IS REQUESTED TO LEAVE THE MEETING BY FELLOW DIRECTOR OR CHAIRPERSON

DIRECTOR IS NOT REQUESTED TO LEAVE THE MEETING

**PARTICIPATION IN THE MEETING
CLAUSE 24.3 CONSTITUTION**

1. THE DIRECTOR IS NOT COUNTED IN THE QUORUM
2. THE DIRECTOR DOES NOT PARTICIPATE IN THE DISCUSSIONS PERTAINING TO THE TRANSACTION
3. IF THE DIRECTOR VOTES, HIS VOTE IS NOT COUNTED

RECORDING OF THE CONFLICT SITUATION

THE MINUTES OF THE MEETING OF THE BOARD MUST INCLUDE A DESCRIPTION OF THE CONFLICT OF INTEREST SITUATION AND TAKE NOTE HOW THE BOARD HAS ADDRESSED SUCH SITUATION.

Note:

- Where a director finds himself in a situation where he faces too frequent conflicts of interest, he must meet the Chairperson to discuss same.
- The Chairperson may seek the advice of the Corporate Governance Committee on the suitability of that director to continue sitting on the board.
- Eventually, the director may be asked to submit his resignation for being unable to comply with the requirements set out in the Board Charter applicable to directors.

