

---

# Corporate Governance Committee Terms of Reference

## Constitution

The role of the Corporate Governance Committee (the "Committee") is to ensure that the reporting requirements on Corporate Governance are in accordance with the National Code of Corporate Governance for Mauritius (2016) (the "Code") as per the Financial Reporting Act 2004.

The Committee shall act as the Remuneration Committee and as the Nomination Committee as and when required. The Committee has been entrusted by the Board of IBL Ltd (the "Board") to constitute a remuneration sub-committee. The composition of this sub-committee may include any professional/consultant as determined by the Committee.

The Board has delegated to the Committee the explicit responsibility for reviewing and making recommendations to the Board on:

- (i) all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles;
- (ii) all the essential components of the remuneration of the Chairperson of the Board and the Executive Directors of the Company;
- (iii) all new Board nominations;
- (iv) the effectiveness of the governance process in place, for identifying and addressing situations of actual and potential conflict of interest and any changes required, from time to time, to improve the governance process;
- (v) situations of actual or potential conflicts of interests of potential candidates prior to their appointment as Directors on the Board; and
- (vi) situations of actual or potential conflicts of interests of the Directors at the time of renewal of every Director's mandate on the Board.

## 1. MEMBERSHIP

---

- 1.1. Unless the Board decides otherwise and justifies the same, a Non-Independent Chairperson of the Board can only be the Chairperson of the Committee provided that the majority of the members of the Committee are Independent Non-Executive Directors. If this is not the case, the Non-Independent Chairperson of the Board may be a member of but may not be the Chairperson of the Committee. The Chairperson of the Committee would then have to be an Independent Non-Executive Director. (Aspiration: the Chairperson of the Corporate Governance Committee should be an Independent Non-Executive Director).
- 1.2. The Group Chief Executive Officer may be a member of the Committee.
- 1.3. The Committee should be composed of a majority of non-executive Directors and of the number of members shall be at least three (3) and shall not exceed five (5).

## 2. SECRETARY

---

- 2.1. The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## 3. MEETINGS

---

- 3.1. Meetings of the Committee will be held as and when the Committee deems appropriate. However, the Committee should meet at least twice a year. Meetings should be organised so that attendance is maximised. The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.
- 3.2. A quorum for any meeting shall be a majority of the members.
- 3.3. In the absence of the Chairperson of the Committee, the remaining members of the Committee present shall elect one (1) of their members present to chair the meeting.
- 3.4. The Committee may ask the Chairperson of the Board, any other senior management officer or any other person whom the Committee may deem appropriate to attend meetings of the Committee.

## 4. NOTICE OF MEETINGS

---

- 4.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairperson of the Committee.
- 4.2. Unless otherwise agreed, the notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee at his known registered address, not less than five (5) working days prior to the date of the meeting.

## 5. MINUTES OF MEETINGS

---

- 5.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2. Minutes of all meetings shall be circulated to all the members of the Committee and may also, if the Chairperson of the Committee so decides, be circulated to other members of the Board.

## 6. DUTIES OF THE COMMITTEE

---

The duties of the Committee shall be to:

- 6.1. determine, agree and develop the Company's general policy on corporate governance in accordance with the recommendations of the Code;
- 6.2. ensure that disclosures on corporate governance, whether in the annual report or on an ongoing basis, are made in accordance with the principles of the Code;
- 6.3. determine, agree and develop the Company's general policy on executive and senior management remuneration;
- 6.4. determine specific remuneration packages for Executive Directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, pensions and other benefits;
- 6.5. recommend to the Board the level of fees of Non-Executive and Independent Non-Executive Directors to be recommended to the shareholders at the meeting of shareholders;
- 6.6. determine any criteria necessary to measure the performance of Executive Directors in discharging their functions and responsibilities;
- 6.7. ensure that adequate processes are in place for carrying out every two (2) years an evaluation of the Board, its committees and the Chairperson of the Board, and ensure that such evaluations are carried out and that all recommended follow-up actions are assigned and completed;
- 6.8. regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- 6.9. identify and nominate candidates for the approval of the Board to fill board vacancies as and when they arise, as well as put in place plans for succession, in particular for the Chairperson of the Board and Chief Executive Officer;
- 6.10. ensure that the right balance of skills, expertise and independence is maintained;
- 6.11. evaluate the balance of skills, knowledge, experience and diversity on the board prior to the appointment of potential new Directors;
- 6.12. ensure that every Director has disclosed a situation of actual or potential conflict of interest (i) prior to his/her appointment on the Board; (ii) at the time of renewal of his/her mandate as Director; and (iii) at least once a year in instances where (i) and/or (ii) do not apply. A situation of actual or potential conflict of interest shall be dealt with by following the governance process put in place by the Company as depicted in the flow chart in Appendix 1;
- 6.13. make recommendations to the Board on the continuation of the directorship of any Director who has reached the age of 70;
- 6.14. propose to the Board, the name of its representative who shall be recommended as Chairperson of the board of its subsidiaries, joint ventures and associate companies (where applicable);
- 6.15. to liaise with the Board in relation to the preparation of the Committee's report to Shareholders, as required;
- 6.16. review and advise on the general remuneration policy of the Company;
- 6.17. review the annual corporate social responsibility policies and related budgets;
- 6.18. make recommendations to the Board on any updates regarding the IBL's Code of Business Ethics and Charte de gouvernance et Règlement intérieur;
- 6.19. review any statements on business conduct and ethical standards or requirements for IBL, and assisting in developing such standards and requirements;

- 6.20. ensure compliance with the requirements of the Constitution and the applicable laws and regulations; and
- 6.21. ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment.

## **7. REPORTING RESPONSIBILITIES**

---

- 7.1. The Chairperson of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **8. REMUNERATION**

---

- 8.1. Having regard to the functions performed by the members of the Committee, beyond their functions as Directors, the Committee members may be paid such remuneration as may be determined by the Board. Such remuneration shall be in addition to the annual fees payable to Directors.
- 8.2. The Chairperson of the Committee may, in addition to his remuneration as member of the Committee, receive such further sum as may be determined by the Board.

## **9. OTHER MATTERS**

---

The Committee shall:

- 9.1. be authorised by the Board to investigate any matter within its Terms of Reference. It is authorised to seek any information it requires from any Director, Officer or employee and the latter shall extend their full co-operation to the Committee;
- 9.2. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 9.3. have access to such independent professional advice as it considers necessary to perform its duties;
- 9.4. give due consideration to the applicable laws and regulations, the principles of the Code and any applicable rules, guidelines or recommendations, as appropriate;
- 9.5. arrange for periodic reviews of its own performance and, at least every two (2) years, review its composition and the Terms of Reference in order to ensure that it is operating effectively; and recommend any changes it considers necessary to the Board for the latter's approval.

## Appendix 1

### 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.