

# INVESTMENT PROFESSIONALS LTD

## BOARD CHARTER

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## **1. PURPOSE OF THE BOARD CHARTER**

- 1.1. The purpose of the present Board Charter is to define the composition and the role of the Board of Directors of Investment Professionals Ltd (“**IPRO**” or the “**Company**”) and the general duties of its Directors.
- 1.2. The Board of IPRO (the “**Board**”) is responsible for directing the affairs of the Company in the best interests of its shareholders and in conformity with the applicable legal and regulatory framework, the Constitution of IPRO and best governance practice.
- 1.3. This Board Charter is complementary to the requirements regarding the Board and Board members contained in relevant legislation and regulations, the Company’s Constitution and by-laws.

## **2. THE BOARD**

### **2.1. Board size**

The Board shall determine its size after consultation with the Corporate Governance and Remuneration Committee.

### **2.2. Composition of the Board**

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) its size and composition are adequate, considering the nature of the Company’s business and its subsidiaries, and the desired expertise and background of the Board members;
- (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) it has an appropriate number of independent directors.

An Independent Director is a Board Member who:

- a. has not been an employee of the Company or Group within the past three years;

- b. 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;
- c. has not received or does not receive additional remuneration from the Company apart from a director's fee or as a member of the Company's pension scheme;
- d. is not a nominated director representing a significant shareholder;
- e. does not have close family ties with any of the Company's advisers, directors or senior employees;
- f. does not have cross-directorships or no significant links with other directors through involvement in other companies or bodies; and
- g. has not served on the Board for more than 9 years from the date of his first election.

The Board is presently composed of five (5) Directors, amongst whom one (1) is an Executive Director, three (3) are Non-Executive Directors and one (1) is an Independent Director.

### 2.3. Board meetings

#### (i) Frequency, Notice, Agenda and Venue of Meetings

##### a. Frequency

The Board shall meet as often as necessary, but not less than three (3) times a year. Meetings shall be scheduled annually in advance according to a preset calendar.

##### b. Notice and Agenda

Board Meetings may be called by any Director or, if requested by a Director to do so, an employee of the Company.

A five (5) days' notice shall be sent to every Director, save in urgent cases where the notice period may be reduced to not less than two days if all Directors agree that an emergency so warrants. The notice shall include the date, time and place of meeting as well as the matters to be discussed. For each item of the agenda, an explanation in writing shall be provided together with related documentation attached.

The Chairperson shall consult with the CEO on the content of the agenda in preparation of each Board meeting. Each Board member and the CEO 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.

c. Venue

Board meetings are generally held at the registered office 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.

(ii) Attendance of and Admittance to Meetings

- a. A Director must do his utmost to be physically present at all Board Meetings during the year, or otherwise attend by phone or teleconference. If a Board member is frequently absent from Board Meetings, he/she shall be required to explain such absences to the Chairperson.
- b. The CEO, 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 Board meetings in whole or in part.
- c. The admission of persons, other than Board members, the CEO, the Company Secretary and (if invited) other Executives, to a Board meeting shall be decided by the Chairperson.

## 2.4. Quorum

No business shall be transacted at a Board meeting if a quorum is not present.

The quorum for a meeting of the Board shall be at least three (3) Directors.

A Director having an interest in a transaction or proposed transaction with the Company, which will be discussed at a Board meeting, is not to be counted in the quorum of that meeting.

If a quorum is not present at a meeting, such meeting shall stand adjourned for two (2) days, provided such day is a business day and otherwise to the next following business

day and at the adjourned meeting, any three (3) Directors would constitute a quorum. The adjourned meeting shall take place at the same time and place at which the original meeting was convened.

## 2.5. **Decision-Making within the Board**

Every Director shall have one vote. Board members shall try to unanimously adopt resolutions, but 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.

A director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board unless he expressly dissents from or votes against the resolution at the meeting. Board members should ensure that their dissenting opinions are recorded in the minutes.

Other than at a Board meeting, Board resolutions may also be adopted in writing, provided that it is signed or assented to by all the Directors then entitled to receive notice of a Board meeting. Any such resolution may consist of several documents in like form each signed and assented to by one or more directors and shall be entered in the minute book of the Board proceedings.

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 Board member may receive a copy of the minutes on demand.

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

## 3. **BOARD COMMITTEES**

The Board of Directors has delegated certain of its responsibilities to board committees to assist it in discharging its duties through a more comprehensive evaluation of specific issues in line with the activities of the Company. The Board remains collectively responsible for the decisions and actions taken by any committee.

The Board must determine and approve the composition and the committees' terms of reference ("**TOR**") which shall be formally laid down and published in the Company's

annual report. All Board Committees shall have at least 2 members, appointed amongst the Directors or their alternates, and shall be composed of a majority of Non-Executive Directors. However, the Board may be authorised to appoint specialists, who are not necessarily directors of the Company, as permanent members of board committees fulfilling a specialised role subject to the majority of members being directors. The composition and the TOR as regards each committee shall be reviewed and amended as and when deemed necessary by the Board.

As to date and to facilitate effective management, the Board of the Company has established a Corporate Governance and Remuneration Committee, an Audit & Risk Committee and a Projects and Procurement Committee. These committees make recommendations that are submitted to the Board for approval.

There shall be transparency and full and effective disclosure from the board committees to the Board.

The TOR of each Board Committee are annexed to the present Charter.

#### **4. CHAIRPERSON**

Board Meetings are presided over by the Chairperson of the Board or, in his / her absence, by any other Director designated by a majority vote of the Board members present at the meeting

The title, function and role of the Chairperson should be separate from that of the CEO.

The Chairperson is primarily responsible for the activities of the Board and its Committees. He/ She shall act as the spokesperson for the Board and is the principal contact for the CEO. The CEO and the Chairperson shall meet regularly. The Chairperson of the Board presides over the meetings of the Shareholders.

The Chairperson's detailed position statement is annexed to the present Charter.

The Chairperson shall not have a casting vote as per clause 22.5(b) of the Constitution of the Company.

## **5. THE COMPANY SECRETARY**

The Company Secretary assists the Board. All members may consult the Company Secretary for advice or to use his / her services.

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the law and the Company's Constitution. He/ She shall assist the Chairman of the Board in organizing the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations, and training programs). The Company Secretary's detailed position statement is annexed to the present Charter.

## **6. TERMS OF OFFICE OF DIRECTORS**

### **6.1. Election**

Directors are appointed by the Shareholders either by:

- (i) An ordinary resolution; or
- (ii) An instrument in writing served upon the Company which shall take effect upon receipt of it at the registered office of the Company (including the receipt of a facsimile copy) unless the notice specifies a later time at which the notice will take effect.

A proposal to nominate a director on the Board of the Company shall include the following:

- a. The candidate's age;
- b. His/her profession;
- c. The amount and nature of any shares held in the Company;
- d. The positions he / she holds or has held in the past three years (including memberships on any Board or management governing bodies / executive committees);
- e. Confirmation that the candidate has not been convicted for any crimes involving dishonesty, fraud or breach of trust;
- f. Confirmation that, in accordance with the law, the candidate is not disqualified from being appointed as a Director; and
- g. Any other information relevant to assess his / her suitability as a member of the Board.

### **6.2. 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.

### 6.3. **Disqualification & Removal of Directors**

A Director shall hold office until his resignation, disqualification or removal in accordance with the Company's Constitution.

A Director shall be removed from office either by ordinary resolution passed at a meeting of shareholders called for this specific purpose.

### 6.4. **Alternate Director**

A Director may, by notice given in writing to the Company and the Company Secretary, appoint any person (including any other Director) to act as an Alternate Director in the Director's place, either generally, or in respect of a specific meeting or meetings at which the Director is not present.

The appointing Director may, at his discretion, by notice in writing to the Company and the Company Secretary, remove his Alternate Director.

An Alternate Director may, while acting in the place of the appointing Director, represent, exercise and discharge all the powers, rights, duties and privileges (but not including the right of acting as Chairperson) of the appointing Director. The Alternate Director shall be subject, in all aspects, to the same terms and provisions as those regarding the appointment of his appointing Director, except as regards remuneration and the power to appoint an Alternate Director under the Company's Constitution.

A Director who is also an Alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director he is representing in the event that the latter is not present the meeting.

An Alternate Director's appointment shall lapse upon his appointing Director ceasing to be a Director.

### 6.5. **Compliance**

A copy of the present Board Charter will be provided to each Board member (including an Alternate Director) upon his appointment and the said member shall adhere to the said Board Charter by acknowledging receipt and signing a copy thereof and shall in doing so undertake to comply with the same. A signed copy will be retained by the Company Secretary for record.



## **6.6. Remuneration & other benefits to Directors**

The payment of remuneration or the provision of other benefits by the Company to a Director for his services as a Director, or the payment of compensation for loss of office the Directors shall be approved by the Shareholders by Ordinary Resolution or by the Board, where it considers that it is fair to the Company.

After authorising any payment under the above, the Board shall forthwith enter or cause to be entered in the Interests Register particulars of such payment.

## **6.7 Induction Program & Ongoing training**

Upon his / 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.

The Board shall conduct, as and when required, a review to identify areas where the Board members require further training.

## **6.8 Other positions**

Directors shall limit their other positions so as to ensure that they can perform their duties as members of the Board. The letter of appointment to non-executive directors shall state the number of meetings they are expected to attend per year and the average duration time of each meeting.

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.

The Company Secretary shall keep a list of the outside positions held by each Board member.

## **7. GENERAL DUTIES OF DIRECTORS**

7.1. The Directors shall comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly, these include:

- (a) acting in good faith, with honesty and integrity and in the best interest of the Company;
- (b) ensuring that they have the time to devote to diligently carry out their responsibilities and duties to the Company;
- (c) acting with care and diligence and for proper purpose;
- (d) avoiding conflicts of interest at all times and disclosing any actual or potential conflicts of interest which may exist or be thought to exist as soon as the Director becomes aware of the issue;
- (e) refraining from disclosing to unauthorized persons or making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
- (f) discharging diligently their duties and obligations to the Company;
- (g) observing and fostering high ethical standards and a strong ethical culture in their organisation;
- (h) with the committees' assistance, preparing and presenting the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act 2001;
- (i) notifying the Company of any direct and indirect interests in the shares of the Company, interests in any transactions, potential and existing conflicts of interests and share dealings; and
- (j) complying with the relevant laws and regulations.

7.2. The Directors' attention is drawn in particular to Section 143 of the Companies Act 2001<sup>1</sup> and to Article 21 of the Constitution of the Company which specify the duties of the Directors.

7.3. When acting in his/her capacity of Director, the latter shall be entitled to take into account the interests of shareholders he/she is representing (where applicable) but should always act in the best interests of the Company.

#### **7.4. Conflict of Interest of Board Members**

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

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<sup>1</sup> Section 143 of the Companies Act 2001 is reproduced at the end of this Board Charter.

## 7.5. Confidentiality

Unless required to do so by law, no Board member shall, during his / her tenure on the Board or thereafter, disclose any information regarding the business of the Company and / or any of the Company's subsidiaries / associate companies, that came to his / her knowledge in the capacity of his / her work for the Company, and which he / she knows or ought to know to be of a confidential nature.

A Board member shall not use such confidential information for his / her personal benefit.

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

## 8. BOARD ACCOUNTABILITIES AND RESPONSIBILITIES

The Board's overall responsibilities include the following:

- (a) management, direction and performance of the Company, and lead and control the Company's business;
- (b) be responsible for the performance and affairs of the Company;
- (c) ensure that the Company complies with all relevant laws, regulations and codes of best business practice;
- (d) build a sustainable business through consistent, profitable growth whilst safeguarding the interest of the shareholders and wider stakeholders;
- (e) determine strategies to enhance shareholder value in the long term whilst taking into account the interest of the shareholders;
- (f) approve the Company's and the group's annual budget;
- (g) approve the audited and unaudited quarterly financial statements;
- (h) approve the annual report;
- (i) ensure that the Board communicates with Shareholders and relevant stakeholders openly and promptly with substance prevailing over form;
- (j) through authorities delegated to its committees, direct and review the investments and operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters;
- (k) direct the commercial and economic well-being of the Company by properly balancing the level of risk with expected returns;

- (l) be responsible for risk governance and ensure that the Company develops and executes a comprehensive and robust system of risk management; and ensure the maintenance of a sound internal control system;
- (m) contribute fully in developing and sustaining the CIEL Group enterprise culture;
- (n) approve capital requirements of the Company;
- (o) exercise leadership, enterprise, intellectual honesty, integrity and judgment in directing the Company so as to achieve reasonable prosperity for the Company and the CIEL Group;
- (p) monitor and review the capital and solvency positions of the Company;
- (q) ensure that the Company satisfies the solvency test for each declaration of dividend;
- (r) present a fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook in its annual report;
- (s) nominate the representatives of the Company to represent the latter on subsidiaries' boards;
- (t) establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the Company's auditor;
- (u) determine the remuneration of the Directors;
- (v) approve policies dealing with Directors' liabilities, indemnities and insurance if any; and
- (w) ensure that the conflicts of interest issues are dealt by the Board members as per all relevant laws, regulations and codes of best business practice.

## **9. ETHICAL STANDARDS AND GOOD CORPORATE GOVERNANCE**

- 9.1. The Board fully supports the principles of good corporate governance contained in the National Code of Corporate Governance for Mauritius (the “**Code**”) and is committed to the improvement and development of appropriate structures, processes and procedures throughout the group in support of these principles.

As a public interest entity, the Company will be required to report on corporate governance and to explain in its annual report how these principles have been applied. Where material deviation from any principles contained within the Code occurs, the annual report should also provide an explanation.

- 9.2. All Directors are expected to behave ethically and professionally at all times and to observe the highest standards of corporate governance, hence protecting and promoting the reputation, performance and core values of the Company and its subsidiaries.

- 9.3. The Board of the Company commits itself to act with integrity and honesty. In that respect and as a matter of Board policy, Directors are expected to conduct themselves with the highest ethical standards.
- 9.4. A Code of Ethics has been developed for the Company, and all Directors and officers will need to comply thereto.

## **10. SUSTAINABILITY ACCOUNTABILITIES**

- 10.1 The Board is committed to the implementation of the Environmental and Social policy and procedures established at CIEL Group level.

## **11. REVIEW AND AMENDMENT OF THE BOARD CHARTER**

The Board may at any times review and amend the present Board Charter by a simple majority decision of its members.

Approved by the Board of Directors on **31 May 2018**

## **ANNEXURE 1: EXTRACT OF THE COMPANIES ACT 2001 REGARDING DIRECTORS' DUTIES**

### **PART XI – DIRECTORS AND THEIR POWERS AND DUTIES**

#### **Sub-Part D - Duties of directors**

#### **143. Duty of directors to act in good faith and in best interests of company**

- (1) Subject to this section, the directors of a company shall -
  - (a) exercise their powers in accordance with this Act and with the limits and subject to the conditions and restrictions established by the company's constitution;
  - (b) obtain the authorisation of a meeting of shareholders before doing any act or entering into any transaction for which the authorization or consent of a meeting of shareholders is required by this Act or by the company's constitution;
  - (c) exercise their powers honestly in good faith in the best interests of the company and for the respective purposes for which such powers are explicitly or impliedly conferred;
  - (d) exercise the degree of care, diligence and skill required by section 160;
  - (e) not agree to the company incurring any obligation unless the director believes at that time, on reasonable grounds that the company shall be able to perform the obligation when it is required to do so;
  - (f) account to the company for any monetary gain, or the value of any other gain or advantage, obtained by them in connection with the exercise of their powers, or by reason of their position as directors of the company, except remuneration, pensions provisions and compensation for loss of office in respect of their directorships of any company which are dealt with in accordance with section 159;
  - (g) not make use of or disclose any confidential information received by them on behalf of the company as directors otherwise than as permitted and in accordance with section 153;
  - (h) not compete with the company or become a director or officer of a competing company, unless it is approved by the company under section 146;
  - (i) where directors are interested in a transaction to which the company is a party, disclose such interest pursuant to sections 147 and 148;
  - (j) not use any assets of the company for any illegal purpose or purpose in breach of paragraphs (a) and (c), and not do, or knowingly allow to be done, anything by which the company's assets may be damaged or lost, otherwise than in the ordinary course of carrying on its business;

- (k) transfer forthwith to the company all cash or assets acquired on its behalf, whether before or after its incorporation, or as the result of employing its cash or assets, and until such transfer is effected to hold such cash or assets on behalf of the company and to use it only for the purposes of the company;
  - (l) attend meetings of the directors of the company with reasonable regularity, unless prevented from so doing by illness or other reasonable excuse; and
  - (m) keep proper accounting records in accordance with sections 193 and 194 and make such records available for inspection in accordance with sections 225 and 226.
- (2) A director of a company that is a wholly-owned subsidiary may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company, act in a manner which he believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
- (3) A director of a company that is a subsidiary, other than a wholly-owned subsidiary, may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company and with the prior agreement of the shareholders (other than its holding company), act in a manner which he believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
- (4) A director of a company incorporated to carry out a joint venture between the shareholders may, when exercising powers or performing duties as a director in connection with the carrying out of the joint venture, if expressly permitted to do so by the constitution of the company, act in a manner which he believes is in the best interests of a shareholder or shareholders, even though it may not be in the best interests of the company.
- (5) (a) Subject to paragraph (b), the duties imposed by this section shall be owed to the company, and not to the shareholders, debenture holders or creditors of the company.
- (b) Without prejudice to any other action with regard to the same matter that is lawfully available, including an action under section 170, any member or debenture holder, as the case may be, may apply to the Court for -
- (i) a declaration that an act or transaction, or proposed act or transaction, by the directors or any director or former director constitutes a breach of any of their duties under this Act;
  - (ii) an injunction to restrain the directors or any director or former director from doing any proposed act or transaction in breach of their duties under this Act.

**ANNEXURE 2**

**INVESTMENT PROFESSIONALS LTD**  
**Position Statement**  
**Chairperson of the Board**

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## Glossary

The Board of Directors of IPRO	Board
Investment Professionals Ltd	IPRO / The Company
CIEL Limited	CIEL
The directors of IPRO	Directors
The shareholders of IPRO	Shareholders
Committees of the Board	Committees

## **1. Appointment**

- a) The chairperson and the vice-chairperson (where relevant) shall be a non-executive Director.
- b) Board meetings are presided over by the chairperson of the Board or, in his / her absence, by the vice-chairperson if appointed. If both are absent at a Board meeting, the Directors present at that meeting shall appoint one of them to act as chairperson.
- c) The chairperson of the Board shall not have a casting vote at meetings of the Board or at Shareholders' meetings.
- d) The chairperson of the Board shall preside shareholders' meetings.

## **2. Duties of the Chairperson**

The duties of the chairperson of the Board shall include but shall not be restricted to:

### **2.1 Meetings**

- a) Chairing Board and Shareholders' meetings.
- b) Upholding rigorous standards in the preparation of meetings.
- c) Running the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.
- d) Setting the Board agenda in collaboration with the management and the company secretary, considering the issues and concerns of all Board members. The agenda should be forward looking, concentrating on strategic matters.
- e) Ensuring that there is appropriate delegation of authority from the Board to executive management and Board committees.
- f) Ensuring the Committees are properly structured with appropriate terms of reference;
- g) Encouraging all Board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence.
- h) Ensuring that the Directors receive accurate, timely and clear information, including that on the organisation's current performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the organisation.
- i) Managing the Board to allow enough time for discussion of complex or contentious issues.
- j) Ensuring that Directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.
- k) Ensuring that the decisions by the Board are executed.
- l) Ensuring that proper minutes are taken, approved and signed for Board and Shareholders' meetings. Minutes which have been signed correct by the chairperson are prima facie evidence of the proceedings.

## **2.2 Directors**

- a) Facilitating the effective contribution of non-executive Directors and encouraging active engagement by all members of the Board.
- b) Ensuring constructive relations between the executive and non-executive Directors.
- c) Ensuring internal disputes and conflicts of interest concerning individual Board members are addressed promptly and adequately.

## **2.3 Induction, Development, Succession and Performance Evaluation**

- a) Ensuring that new Directors participate in a full, formal and tailored induction programme, facilitated by the company secretary.
- b) Ensuring that the development needs of directors are identified and, with the company secretary having a key role, that these needs are met. The directors should be able to continually update their skills and the knowledge and familiarity with the Company required to fulfil their role on the Board and its committees.
- c) Mentoring to develop skills and enhance directors' confidence and encourage them to speak up and make an active contribution at meetings.
- d) Ensuring the performance of the Board, Board Committees and individual Directors is evaluated as frequently as possible and acting on the results of such evaluation by recognising the strengths and addressing the weaknesses.

## **2.4 Relationship with Shareholders**

- a) Ensuring effective communication with Shareholders.
- b) Maintaining sufficient contact with the Shareholders to understand their issues and concerns, discussing governance, strategy and remuneration with them.
- c) Ensuring that the views of Shareholders are communicated to the Board so that all Directors develop an understanding of their views.

## **2.5 Miscellaneous**

In addition, the Chairperson should:

- a) Set the ethical tone for the Board and the Company and uphold the highest standards of integrity and probity;
- b) Promote effective relationships and open communication between Directors both inside and outside the boardroom, ensuring an appropriate balance of skills and personalities;
- c) With the assistance of the company secretary, promote the highest standards of corporate governance. If full compliance is not possible, ensure that the reasons for non-compliance are fully understood, agreed by the Board and explained to Shareholders;
- d) Ensure an appropriate balance is maintained between the interests of Shareholders and other stakeholders (employees, customers, suppliers and the community);

- e) Establish a close relationship of trust with the Chief Executive Officer providing support and advice while respecting executive responsibility ensuring effective communication with Shareholders and other stakeholders; and
- f) Building and maintaining stakeholders' trust and confidence in the Company and in conjunction with the Chief Executive Officer, representing the Company to key stakeholders.

Approved by the Board on **31 May 2018**

**ANNEXURE 3**

**INVESTMENT PROFESSIONALS LTD**  
**Position Statement of the**  
**Company Secretary**

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## Glossary

The Board of Directors of IPRO	Board
Investment Professionals Ltd	IPRO / The Company
CIEL Limited	CIEL
The directors of IPRO	Directors
The shareholders of IPRO	Shareholders
Companies Act 2001	Act
Committees of the Board	Committees

## **1. The Company Secretary**

CIEL Corporate Services Ltd (“CCS”) is a service company which provides a combination of corporate services and strategic support to the subsidiaries and associates of CIEL, including iPRO. It employs qualified secretaries from the Institute of Chartered Secretaries & Administrators to fulfill its duties as company secretary.

## **2. Duties of the Company Secretary**

The duties of CCS as company secretary shall include but shall not be restricted to:

- e) providing the Board with guidance as to its duties, responsibilities and powers;
- f) 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;
- g) developing the agenda of Board Committee meetings in consultation with the chairperson and the Chief Executive Officer;
- h) circulating agendas and supporting documents in good time;
- i) checking that quorum of meetings is present;
- j) ensuring that minutes of all meetings of Shareholders or Directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule of the Act and all statutory registers be properly maintained;
- k) certifying in the annual financial statements of the Company that it has filed with the Registrar of Companies all such returns as are required of the company under the Act;
- l) ensuring that the Company complies with its constitution and all relevant statutory and relevant statutory and regulatory requirements, code of ethics and any rules established by the Board;
- m) 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 the Act;
- n) assisting in the proper induction of Directors;
- o) communicating with the Shareholders, as appropriate, and ensure that due regard is paid to their interests; and
- p) acting as primary point of contact (via the share registrar) for all Shareholders.

## **3. Appointment and Removal of the Company Secretary**

Subject to the constitution of the Company, the Board may appoint or remove the company secretary.

## **4. Reporting Responsibility**

The company secretary shall report to the chairperson of the Board on all governance matters and to the Chief Executive Officer in relation to other executive management responsibilities.

## **5. Remuneration**

The remuneration of the company secretary is determined under the service agreement (agreement including company secretariat amongst other duties provided to IPRO) entered into by the Company and CCS.

Approved by the Board on **31 May 2018**



**ANNEXURE 4**

**Terms of Reference**

**of**

**Board Committees**

## CORPORATE GOVERNANCE AND REMUNERATION COMMITTEE

### Members

Messrs. Khushhal Chand Khushiram (Chairman)  
Marc-Emmanuel Vives

### Terms of Reference

As per minutes of first Committee meeting held on 24<sup>th</sup> January 2006, the terms of reference will be based on the terms highlighted in the Code of Corporate Governance.

#### Model Terms of Reference for Corporate Governance Committee:

- The Corporate Governance committee should include in its terms of reference the key areas normally covered by a Nomination Committee and a Remuneration Committee, unless these committees have been separately constituted. The terms of reference for these two committees are described below.
- Over and above the work on remuneration and nomination, the Committee should have the following activities:
  - determine, agree and develop the company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
  - preparation of the corporate governance report to be published in the company's annual report;
  - ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance.

#### Model Terms of Reference for Remuneration Committee:

The role of the Committee will be to work on behalf of the board and be responsible for its recommendations and will, within these terms of reference:

- Determine, agree and develop the company's general policy on executive and senior management remuneration;
- 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;
- Determine the level of non-executive and independent non-executive fees to be recommended to the shareholders at the Meeting of Shareholders;

- Determine any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities.
- The Committee will aim to give the executive directors every encouragement to enhance the company's performance and to ensure that they are fairly, but responsibly rewarded for their individual contributions and performance.
- The Committee will review (at least annually) the terms and conditions of executive directors' service agreements, taking into account information from comparable companies where relevant.
- The Committee will determine any grants to executive directors and other senior employees made pursuant to the company's executive share scheme(s).
- The Committee will be kept informed of relevant information for other group executives and senior managers.
- The Committee will not determine the remuneration or terms of any consultancy agreement of any non-executive director, although it may make recommendations to the board if requested.
- The Committee will co-ordinate its activities with the chairperson of the board and the chief executive as well as consult them in formulating the Committee's remuneration policy and when determining specific remuneration packages.
- The broad framework and cost of executive remuneration should be a matter for the board on advice of the Committee.
- The Committee may wish to consult other non-executive directors in its evaluation of the chairperson of the board and the chief executive.
- The Committee will have due regard for the principles of governance and code of best practice.
- The Committee will liaise with the board in relation to the preparation of the Committee's report to shareowners as required and will consider each year (and minute its conclusions) whether the circumstances are such that the annual general meeting of the company should be invited to approve the remuneration policy set out in the Committee's report.
- Review performance and measurement system of IPRO staff (new term added further to meeting of 15<sup>th</sup> June 2011)

#### Model Terms of Reference for Nomination Committee:

- The Committee shall make recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the board in general and the balance between executive and non-executive directors appointed to the board.

- The Committee shall regularly review the board structure, size and composition and make recommendations to the board with regards to any adjustments that are deemed necessary.
- The Committee shall be responsible for identifying and nominating 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 and chief executive.
- The Committee shall make recommendations to the board for the continuation (or not) in services of any director who has reached the age of 70.
- The Committee shall recommend directors who are retiring by rotation, for reelection.
- The Committee will have due regard for the principles of governance and code of best practice.
- The Committee will liaise with the board in relation to the preparation of the Committee's report to shareholders as required.

## AUDIT AND RISK COMMITTEE

### Members

Mrs.	Samila Sivaramen
Messrs.	Juan-Carlos Albizzati

### Terms of Reference

As per minutes of first committee meeting held on 24<sup>th</sup> January 2006, the terms of reference will be based on the terms highlighted in the Code of Corporate Governance.

#### Model Terms of Reference of Audit Committee:

##### **Auditors, external and internal audit**

The Committee may be requested to recommend to the board which firm(s) should be appointed as external auditor(s). Several firms should be screened and the Committee should obtain written or verbal proposals to enable it to arrive at its recommendation.

The Committee will:

- Evaluate the independence and effectiveness of the external auditor(s) and consider any non-audit services rendered by such auditors as to whether this substantively impairs their independence;
- Evaluate the performance of the external auditor(s);
- Consider and make recommendations on the appointment and retention of the external auditor(s), and any questions of resignation or dismissal of the auditor(s);
- Discuss and review, with the external auditor(s) before the audit commences, the auditor(s) engagement letter, the terms, nature and scope of the audit function, procedure and engagement, the audit fee, and ensure co-ordination (where more than one audit firm is involved) and maintenance of a professional relationship between them;
- Negotiable procedures, subject to agreement, beyond minimum statutory and professional duties - there are certain minimum nonnegotiable procedures required from the external auditors;

- Agree to the timing and nature of reports from the external auditor(s);
- Consider any problems identified in going concern or statement of internal control;
- Make suggestions as to problem areas that the audit can address;
- Consider any accounting treatments, significant unusual transactions, or accounting judgements, that could be contentious;
- Identify key matters arising in the current year's management letter and satisfy itself that these are being properly followed up;
- Consider whether any significant ventures, investments or operations are not subject to external audit;
- Review overall audit role, explore objectives, minimise duplication, discuss implications of new auditing standards and ensure that the external audit fees will sustain a proper audit and provide value for money; and
- Obtain assurance from the external auditor(s) that adequate accounting records are being maintained.

### **Financial statements**

- The Committee will examine and review the annual financial statements, the interim reports, the accompanying reports to shareowners, the preliminary announcement of results and any other announcement regarding the company's results or other financial information to be made public, prior to submission and approval by the board, focusing particularly on:
  - The implementation of new systems;
  - Tax and litigation matters involving uncertainty;
  - Any changes in accounting policies and practices;
  - Major judgmental areas;
  - Significant adjustments resulting from the audit;
  - The basis on which the company has been determined a going concern;
  - Capital adequacy;
  - Internal control;

- Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
- The efficiency of major adjustments processed at year end;
- Compliance with the financial conditions of loan covenants; and
- Reviewing special documents such as prospectuses as and when prepared.

### **Internal control and internal audit**

- An important role of the Committee will be to monitor and supervise the effective function of the internal audit, ensuring that the roles and functions of the external audit with internal audit are sufficiently clarified and co-ordinated to provide an objective overview of the operational effectiveness of the company's systems of internal control and reporting. This will include:
  - Evaluating the performance of internal audit;
  - Discuss and review, with the internal auditor(s) before the audit commences, the auditor(s) engagement letter, the terms, nature and scope of the audit function, procedure and engagement, the audit fee, and ensure co-ordination (where more than one audit firm is involved) and maintenance of a professional relationship between them;
  - Reviewing the internal audit function's compliance with its mandate as approved by the Committee;
  - Reviewing the effectiveness of the company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
  - Considering the appointment, dismissal or re-assignment of the head of the internal audit function;
  - Reviewing and approving the internal audit charter, internal audit plans and internal audit's conclusions with regard to internal control;
  - Reviewing the adequacy of corrective action taken in response to significant internal audit findings;
  - Reviewing significant matters reported by the internal audit function;
  - Reviewing the objectives and the operations of the internal audit function;

- Assessing the adequacy of performance of the internal audit function, and the adequacy of available internal audit resources;
- Reviewing the co-operation and co-ordination between the internal and external audit functions and co-ordinating the formal internal audit work plan with external auditors to avoid duplication of work;
- Reviewing significant differences of opinion between management and the internal audit function;
- Maintaining proper and adequate accounting records;
- Evaluating the independence and effectiveness of the internal auditors;
- Controlling the overall operational and financial reporting environment;
- Safeguarding company's assets against unauthorised use or disposal;
- Directing and supervising investigations into matters within its scope, for example, evaluations of the effectiveness of the company's internal control, cases of employee fraud, misconduct or conflict of interest.

## **Ethics**

- There are a number of statutory, common law and other requirements that cover the ethical behaviour of directors, managers and officers of companies. In addition, the company can establish a clearly defined and documented code of ethics. The directors must declare the nature and extent of their interest in contracts.
- Exceptions to the Code of Ethics will need to be reported in the compliance reports prepared by the Compliance Officer.
- The Committee will be responsible for:
  - Monitoring the ethical conduct of the company, its executives and senior officials;
  - Reviewing any statements on ethical standards or requirements for the company and assisting in developing such standards and requirements;
  - Compliance with the requirements of the articles of association;



- Compliance with the law and regulations of any other applicable statute and of controlling bodies;
  - Identification of any violations of ethical conduct; and
  - Environmental and social issues.
- The Committee will also give recommendations on any potential conflict of interest or questionable situations of a material nature.

**Model Terms of Reference of Risk Committee:**

- The Committee together with the company's legal advisor, will review any legal matters that could have a significant impact on the company's business.
- The Committee will review executive management reports detailing the adequacy and overall effectiveness of the company's risk management function and its implementation by management, and reports on internal control and any recommendations, and confirm that appropriate action has been taken.
- The Committee will review the risk philosophy, strategy and policies recommended by the executive management and consider reports by the executive management. The Committee will ensure compliance with such policies, and with the overall risk profile of the company. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk, which together cover detailed combined risks such as:
  - Interest rate risk;
  - Country risk;
  - Counterpart risk, including provisioning risks;
  - Currency and foreign exchange risk;
  - Technology risk;
  - Price risk;
  - Disaster recovery risk;
  - Operational risk,
  - Prudential risk;
  - Reputational risk
  - Competitive risk;
  - Legal risk
  - Compliance and control risks;
  - Sensitivity risks, e.g. environmental, health and safety;
  - Concentration of risks across a number of portfolio dimensions;
  - Investment risk;
  - Asset evaluation risk; and

- Other risks appropriate to the business which may be identified from time to time.
- The Committee will review the adequacy of insurance coverage.
- The Committee will review risk identification and measurement methodologies.
- The Committee will monitor procedures to deal with and review the disclosure of information to clients.
- The Committee will have due regard for the principles of governance and codes of best practice.
- The Committee will liaise with the board in respect of the preparation of the Committee's report to shareholders as required.