



This Charter was approved by the Board of Directors of the SICOM Financial Services Ltd (the “Company”) at the 62<sup>nd</sup> Board meeting held on 26 June 2019.

## 1. Introduction

This charter (the ‘Charter’) must be read in conjunction with the constitution of SICOM Financial Services Ltd (the ‘Company’), the code of ethics of the directors (the ‘Code’) and the Bank of Mauritius Guideline on Corporate Governance. In case of any inconsistency between the Company’s Constitution, this Charter and the Code, the provisions of the Constitution shall prevail.

This Charter is posted on the Company’s website.

## 2. Composition of the Board

2.1 The board of directors of the Company (the ‘Board’) is a unitary Board and is comprised of executive, non-executive and independent directors.

2.2 The total number of directors at any time shall consist of at least seven (7) members. Forty percent (40%) of the directors must be independent. In case the Chairperson, is not an independent director, the Board shall be comprised of at least fifty percent (50%) independent directors.

2.3 An independent director is a Board member who:

- has not been an employee of the Company or Group within the past three years;
- 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;
- has not received or receives additional remuneration from the Company apart from a director’s fee or as a member of the Company’s pension scheme;
- is not a nominated director representing a significant shareholder;
- does not have close family ties with any of the Company’s advisers, directors or senior employees;
- does not have cross-directorships nor significant links with other directors through involvement in other companies or bodies;
- has not served on the Board for more than nine continuous years from the date of his first election.
- has not been employed by any other financial institution regulated by the Bank of Mauritius in an executive capacity for the preceding 3 financial years.
- is not a related party to an individual who is or has been in any of the past 3 financial years employed by the Company or the group in an executive capacity.
- is not an adviser of the Company or the group other than as a member of the Board.
- has no relationship or interest in the Company or group which could or could reasonably be perceived to materially affect the exercise of his judgement in the interest of the Company.



2.4 The Board shall comprise of both genders.

2.5 All members of the Board should be individuals of integrity and, collectively, should bring a blend of knowledge, skills, objectivity and experience to the Board to enable it to carry out its functions effectively.

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

- its members can act independently of one another;
- each director can assess the broad outline of the Company's overall position;
- each director has sufficient expertise to perform his or her role as a director;
- the composition of the Board matches the profile established in this Charter; and
- at least one (1) director has expertise in financial administration and accounting.

### 3. Appointment of directors and evaluation

3.1 Members of the Board are normally elected at the annual meeting of shareholders (the 'Shareholders').

3.2 The appointment of new directors is on the basis of objective criteria (such as their individual skills, knowledge, experience, independence and with due regard for the benefits of diversity on the Board, including gender) and their ability to act in the best interest of the Company. Each director shall be elected by a separate resolution at the annual meeting of shareholders, for a period of one (1) year and shall be eligible for re-election.

3.3 A recommendation to the annual meeting of shareholders for a candidate for the Board shall state particulars including the candidate's age and his/her profession and the reasons for such recommendation.

3.4 Directors may appoint any person to be a director to fill a casual vacancy or as an addition to the existing directors, provided that, the total number of directors shall not exceed the maximum number or be less than the minimum set out in clause 2.2.

3.5 Upon his or her election, each director will receive an induction pack which consists of the Company's corporate information, the Constitution, the National Code of Corporate Governance, Bank of Mauritius Guideline on Corporate Governance, the latest annual report, the Charter, the charters of any committees (the 'Committees') established by the Board, the Code of Ethics for Directors, and information on the statutory duties and responsibilities of directors.

3.6 Evaluation of the Board and its members shall be carried out as provided in the Code.

3.7 Following the evaluation, the Board shall discuss its own activities and those of its individual members, the effectiveness of such activities, and the composition, independence and competence of the Board and its committees.



## 4. Meetings

- 4.1 The Board shall determine the frequency of its meetings, which shall not be less than four (4) in a financial year.
- 4.2 The quorum for Board meetings shall be as set out in the Constitution of the Company.
- 4.3 The meetings shall be chaired by the Chairperson or in his absence, by a non- executive director designated by the members present at the meeting.

## 5. Roles and Responsibilities

The Board oversees the general business of the Company. The Board and the directors are individually and collectively responsible for such supervision and oversight. The Board exercises leadership, enterprise, integrity and judgment in directing the Company. The delegation of authority to any Committee does not discharge the responsibility of the Board in respect of the actions and decisions of that Committee.

The broad responsibilities of the Board are to:

### 5.1 Strategy

- Set the Company's vision, mission, values and objectives.
- Monitor and evaluate the implementation of strategies, policies and performance measurements.

### 5.2 Risk Management

- Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks.
- Ensure that effective internal control systems are in place to safeguard the Company's assets and review the effectiveness of the applicable systems and controls from time to time.
- Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements.
- Oversee the Company's Anti-Money Laundering ('AML')/Combating the Financing of Terrorism ('CFT') risk management practices, including compliance with AML/CFT laws, regulations, guidelines and instructions as well as the effective management of the Company's AML/CFT policies and procedures.
- Ensure that the procedures and practices are in place that protect the Company's assets and reputation.
- Set appropriate policies in respect of risk and conduct of business of the Company.
- Ensure that clear lines of responsibility and accountability exist and are enforced throughout the Company.
- Discuss the Company's strategy and business risk, the management's assessment of the internal risk management and control systems, and any significant changes to such systems once a year.



## 5.3 Financials

- Approve the Annual Report including the financial statements.
- Approve important capital investment of the Company.
- Determine and declare the amount of dividends when appropriate.
- Approve the annual budget.
- Consider the recommendations of the external auditor on the Company's internal controls, as expressed in the management letter or any other relevant documents.

## 5.4 Governance

- Ensure adoption of good governance practices.
- Ensure that all proposed appointment and re-appointment of directors be accompanied by a brief biography.
- Carry out Board evaluation as provided in the Code.
- Ensure adequate succession planning of the Board and senior management are in place.
- Encourage Shareholders to attend all Shareholders' meetings.

## 5.5 Communication

- Ensure effective communication with Shareholders.

## 5.6 Nomination and Assessment of External Auditor

- The external auditor is appointed at the Annual Meeting of Shareholders.
- The provision of non-audit services is closely reviewed and approved by the Board on the recommendation of the Audit Committee to ensure the external auditor's independence.
- The Board shall take into account any report made by the Audit Committee on the external auditor, including its independence, when recommending the nomination of the external auditor to the annual meeting of shareholders.

## 5.7 Compensation of Board Members

- The Directors' fees and benefits are determined at the annual meeting of shareholders. The Board may submit proposals on its compensation to the annual meeting of shareholders.

## 6. Role and function of the Chairperson

The Chairperson shall be an independent or a non-executive director and shall be elected by his/her fellow directors. The Chairperson of the Board shall not be the Chairperson of the Audit Committee.

The Chairperson is primarily responsible for the activities of the Board and its Committees. He shall act as the spokesman for the Board and is the principal contact for the Group Chief Executive officer (the 'Group CEO'). The Group CEO and the Chairperson of the Board shall meet regularly.

The main responsibilities of the Chairperson include amongst others, to

- Discuss and set the agenda with the Group CEO and the Company Secretary.
- Facilitate the effective contribution of non-executive directors and encourage active participation during Board meetings.



- Ensure that Board members, when appointed, participate in an induction programme.
- Ensure that the development needs of directors are identified and appropriate training is provided.
- Ensure that the Board has sufficient time for consultation and decision-making.
- Ensure the performance of Board members and functioning of Board sub- committees are assessed as provided in the Code.
- Ensure effective communication with Shareholders.

## 7. Role of Company Secretary

The company secretary (the 'Company Secretary') assists and advises the Board.

The main responsibilities of the Company Secretary include amongst others, to:

- Ensure that the Company complies with its Constitution and all relevant statutory and regulatory requirements and any procedures set by the Board.
- Guides the Board and directors on how to discharge their responsibilities in the best interests of the Company.
- Prepare and circulate agendas of Board, Board Committees and Shareholders' meetings and any supporting papers in a timely manner.
- Take minutes of Meetings and circulate same to members.
- Ensure meetings and resolutions of the Board are properly held and passed in line with the Company's Constitution.

## 8. Board Committees

8.1 The Board has established the following Committees to assist it in exercising its authority and responsibilities:

- i. Audit Committee
- ii. Risk Management/Conduct Review Committee
- iii. Investment Committee

8.2 The Board will determine the charters of the above committees, including their roles and responsibilities, as well as that of any other committee it may establish in future.

8.3 The Board may from time to time also establish ad hoc Board Committees to consider special matters that may arise from time to time.

8.4 The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience, and any regulatory requirements.

## 9. Conflict of interest

Directors are expected to avoid any instances that may give rise to conflicts of interests or which may be perceived by others as conflicting situations. They shall disclose full information on any actual conflict or potential conflict of interest in writing to the Board and fellow directors and the onus will be on them to subsequently advise the Board on any change in their situation.



In instances of an actual or potential conflict of interest, the concerned director shall declare his interest to the other members of the Board, and such conflict shall be minuted in the register of interests of the Company.

The director shall not be present at any relevant part of the meeting in which the actual or potential conflict is discussed, shall not participate in the debate and shall not vote on the issue in which he is in conflict.

The Company Secretary will maintain an interest register and report to the Board as necessary.

## 10. Confidentiality

All matters and information relating to the Company and disclosed to the Board shall at all times remain confidential and shall not be disclosed by them to anyone, except the persons entitled to receive such confidential information or unless required by law.

## 11. Review of the Charter

The Board may review the Charter as and when required.