

# INNODIS LTD

## BOARD CHARTER

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### 1. INTRODUCTION

#### 1.1 Complementary to law and Constitution

These provisions are complementary to the requirements regarding the Board and its members contained in the Companies Act 2001 and other applicable laws, the Constitution of Innodis Ltd and the provisions governing the relationship between the committees and the Board as contained in the charters of the committees.

Should any conflict arise between this charter and the Constitution or any relevant laws, the provisions of the Constitution or any applicable laws shall prevail.

#### 1.2 Charter on Website

This charter is posted on the company's website ([www.innodisgroup.com](http://www.innodisgroup.com)).

### 2. COMPOSITION OF THE BOARD, POSITIONS; COMMITTEES

#### 2.1 Board Profile, Size, Expertise and Independence

##### (a) Board Profile

The Board, in consultation with the corporate governance committee, shall prepare a profile of its size and composition, considering the nature of the company's business and its subsidiaries, and the desired expertise and background of the Board members (the 'Board Profile').

##### (b) Number of Members

In accordance with the Constitution of Innodis Ltd, the Board shall have not less than 4, and not more than 10 members.

##### (c) General Composition

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. the Board matches the Board Profile;
- 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. no less than three (3) of the Board members are independent as defined in Section 2.1(d). below.

(d) Independence

An independent director is a board member who normally:

- 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 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 nor significant links with other directors through involvement in other companies or bodies; and
- g. has not served on the board for more than nine years from the date of their first election.

However, the Board prioritises knowledge and industry experience over the strict application of criteria (g) above. Moreover, the Board will not insist that all of the above criteria be cumulatively met if it is satisfied that a director is able to - and in fact exercises - independence of mind and judgment in his/her duties as a director, even though any one or more of the above criteria is not met.

## **2.2 Appointment, Term of Office, Re-election**

(a) Appointment of Directors

Members of the Board are elected either by the shareholders by ordinary resolution or by notice in writing to the Company signed by the holder (s) of a majority of the shares of the Company, or by the Board in accordance with the Constitution of Innodis Ltd.

(b) Substance of Nominations and Recommendations

A nomination or recommendation to the Board or general meeting of shareholders for a new candidate for the Board shall state:

- i. the candidate's age;
- ii. his or her profession;
- iii. the amount and nature of any shares held in the company;
- iv. any convictions for any crimes involving dishonesty, fraud or breach of trust;
- v. the positions s/he holds or has held in the past three years (including memberships on any Board or management governing bodies/executive committees), nominating shareholder [if applicable]; and
- vi. any other information relevant to assess his or her suitability as a member of the Board.

The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board for appointment or reappointment of a new Board member must be in accordance with this charter.

(c) Re-election

Before recommending a member of the Board for re-election, the Board must consider his or her past performance on the Board.

## **2.3 Chairperson**

(a) Election

The Board shall elect a chairperson from among its members. The Directors shall choose one of their numbers to chair the meeting and assume the powers and duties of the chairperson when the chairperson is absent.

(b) Duties

The chairperson of the Board is primarily responsible for the activities of the Board and its committees. S/he shall act as the spokesperson for the Board and is the principal contact for the chief executive officer (CEO). The CEO and the chairperson of the Board shall meet regularly. The chairperson of the Board presides over the general meeting of shareholders.

(c) Responsibilities

The chairperson ensures that:

- i. the Board satisfies its duties;
- ii. Board members, when appointed, participate in an induction program and, as needed, in supplementary training programs;
- iii. the Board members receive all information necessary for them to perform their duties;
- iv. the agendas of board meetings are determined;
- v. the Board meetings are chaired in an effective manner;

- vi. the Board has sufficient time for consultation and decision-making;
- vii. Minutes are kept of board and committee meetings;
- viii. the committees function properly;
- ix. there is proper consulting with external advisors appointed by the Board;
- x. the performance of the Board is evaluated at least every 2 years;
- xi. addressing problems related to the performance of individual Board members;
- xii. addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result;
- xiii. the Board has proper contact with the Board sub committees.

## **2.4 Company Secretary**

### **(a) Company Secretary**

The company secretary assists the Board.

### **(b) General Access**

All Board members may go to the company secretary for advice or to use his or her services.

### **(c) Responsibilities**

The company secretary sees to it that the Board follows the correct procedures under the Companies Act 2001, the company's Constitution, and the Code of Corporate Governance. The company secretary shall assist the chairperson of the Board in organizing the Board's, general and committee meetings (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

## **2.5 Committees**

### **(a) Establishment of Committees**

The Board may appoint committees from among its members to perform specific tasks. The Board shall determine the members of any committee. The Board shall establish an Audit and Risk committee and a Corporate Governance committee (which also functions as a Remuneration and Nomination committee).

### **(b) Board Responsibility for committee action**

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

(c) Committee Reporting

Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

(d) Committee Charters

The Board shall establish (and may amend) charters for each Committee. The charters shall indicate the role and responsibilities of the Committee, its composition and how it should perform its duties.

(e) Website Disclosure

The charters and the composition of the Committees shall be posted on the company's website.

(f) Assistance

Subject to the approval of the Corporate Governance Committee or of the Board, the members of Committees shall be entitled to seek all the legal, financial and technical assistance that are normally available to the members of the Board.

### **3. DUTIES AND POWERS**

#### **3.1 General Duties and Powers**

(a) General Responsibilities

The Board oversees the general business of the company. The entire Board is responsible for such supervision and oversight. Directors shall ensure they are well acquainted with their responsibilities as detailed in the Companies Act and shall ensure they comply with the Listing Rules, more particularly its Appendix 6 relating to restrictions in trading of the company's shares.

(b) The Board acts in the interest of the company

The Board shall act in the best interests of the company and its business, taking into consideration the interests of the company's shareholders and other stakeholders.

(c) Quality of Performance

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

(d) Action in Concert

As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle.

(e) Provision on Information

The chairperson, the company secretary and the CEO shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to properly function.

(f) Responsibility for Securing Information

The Board and its individual members each has responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the company. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

(g) Access to Records

Each member of the Board has access to the books and records of the company, if useful to perform his or her duties. Unless the charter of a committee states otherwise, Board members shall consult with the chairperson of the Board and the company secretary before exercising their rights under this provision.

(h) Use of Experts

The Board may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board and shall be paid by the company. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion. Any Board member may submit a request to the Corporate Governance Committee to obtain independence professional advice in connection with the discharge of his/her duties and responsibilities on the Board. The said Board member shall inform the Committee of the name of the proposed adviser and an estimate of the costs involved. The Committee shall inform the Board member of its decision within 15 days. In case the request is declined, the matter may be taken up at Board level by the latter.

### **3.2 Duties Regarding the Supervision of Management**

(a) Nature of Supervision

In supervising the management, the Board shall consider:

- i. the achievement of the company's objectives;
- ii. the strategy and risks in the company's activities;
- iii. the structure and operation of the internal risk management, and audit and control systems;
- iv. the financial reporting process;

- v. compliance with law and regulations; and
- vi. any other matters the law requires the Board to consider.

(b) Financial Reporting

The Board supervises the company's financial reporting.

(c) Annual Risk Review

At least once a year, the Board shall discuss the company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

### **3.3 Duties Regarding the Members and the Performance of the Board**

(a) Duties Regarding Board

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

- i. The nomination of members of the Board and proposals to the general meeting of shareholders for the compensation of members of the Board;
- ii. The appointment of a chairperson of the Board, the establishment of committees and defining their role, the evaluation of the Board, its individual members and its committees (including an evaluation of the of the Board Profile and the induction, education and training program), the approval of other positions of Board members to the extent required under this charter; and
- iii. Addressing any conflicts of interest issues between the company and members of the Board;

(b) Board Assessment

At least once every 2 years, the Board shall evaluate its own activities and, if it deems appropriate, those of its individual members, the effectiveness of such activities, and the composition and competence of the Board and its committees.

### **3.4 Certain other duties of the Board**

(a) Duties generally

The other duties of the Board include:

- i. Duties regarding the external auditor as described in the Audit Policy of the Company and the charter of the Audit and Risk committee;

- ii. Other duties imposed by law, the company's Constitution, this charter and the charter of a committee.

(b) Annual Report and Accounts

The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by law (including the National Code of Corporate Governance for Mauritius) and the company's Constitution.

#### **4. SUPERVISION OF FINANCIAL REPORTING**

(a) General Supervision Responsibilities

The Board, in consultation with the Audit and Risk committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly (if any) and semi-annual financial reports and any other financial information. The Board, through the Audit and Risk committee, also supervises the internal control and audit mechanisms for external financial reporting.

(b) Discussion of Financial Reports

The Audit and Risk committee shall regularly provide the Board with reports on the annual report and accounts, and the quarterly (if any) and semi-annual financial reports, which will then be discussed at a meeting of the Board. The annual report and accounts for the year just ended shall be discussed in a meeting of the Board and filed with the Financial Services Commission within 90 days of the balance sheet date. The semi-annual and quarterly (if any) financial reports of the company for the respective period just ended shall be discussed in a meeting with the Board within three months of the end of the period.

#### **5. REMUNERATION OF BOARD MEMBERS**

(a) Annual Remuneration Report

The Corporate Governance committee shall annually prepare a remuneration report setting out the compensation policies and activities of the past year and an overview of the compensation policy and planned activities for the next financial year and subsequent years. The remuneration report will differentiate between executive and non-executive remuneration.

(b) Approval by the General Meeting

The remuneration policy planned for the next financial year and subsequent years as specified in the remuneration report may be submitted to the general meeting for its approval. Schemes whereby executive governing board members and other senior

managers are remunerated in the form of shares or rights to subscribe for shares, and major changes to such schemes, may be submitted to the general meeting for its approval. The remuneration of directors is otherwise decided by the Board in accordance with the Constitution of the company.

(c) Corporate Governance Committee

The Board shall determine the compensation of the executive and non-executive Board members on a proposal by the Corporate Governance committee.

(d) Extraordinary Compensation

If a Board member or former Board member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report. The remuneration report shall detail and explain any compensation paid or promised as severance pay to a Board member.

## **6. RELATIONS WITH SHAREHOLDERS**

(a) Equal and Simultaneous Information

Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

(b) General Meeting; Record Date; Venue

The Board shall determine the date and place of any general meeting and a record date for the exercise of the voting and any other rights attached to the company's securities at such meeting. The Board shall use its best efforts to provide shareholders with all information necessary or requested for the shareholders to properly act at the general meeting.

(c) Compliance with Law

The Board shall ensure all laws are complied with, regarding the rights of the general meeting and of individual shareholders.

(d) Attendance by Board members

The chairperson shall ensure that all the members of the Board shall attend the general meetings, unless there are reasonable justifications for any absences.

(e) Chairperson of General Meetings

The general meetings are presided over by the chairperson of the Board. The Board may designate someone else to preside over the meeting.

(f) Disclosure of Resolutions

A resolution of the general meeting shall be publicly disclosed only through a statement from the chairperson of the Board or the Company Secretary.

(g) Changes to Corporate Governance

Any change to the corporate governance structure of the company that is, in the opinion of the Board, substantial, shall be submitted to the general meeting for discussion under a separate agenda item.

(h) Attendance by external auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external audit firm attends the general meeting and is available to address the meeting. The external auditor may be questioned by the general meeting in relation to the audit of the company's financial statements and the external Auditors' report

## **7. BOARD MEETINGS AND DECISION-MAKING**

### **7.1 Frequency, Notice, Agenda and Venue of Meetings**

(a) Frequency

The Board shall meet as often as necessary, but not less than four (4) times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet earlier than scheduled if deemed necessary by the chairperson of the Board or as otherwise provided by the Constitution.

(b) Notice and Agenda

Meetings of the Board are called in accordance with the Constitution. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The chairperson shall consult with the CEO prior to convening the meeting on the content of the agenda. 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 held at the offices of the company or at any other venue as the Chairperson or the Board may deem fit. 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.

### **7.2 Attendance of and admittance to Meetings**

(a) Attendance by CEO

The CEO, even where s/he 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 meetings of the Board in whole or in part.

(b) Undue Absence

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

(c) Attendance by Non-Members

The admission to a meeting of persons other than Board members, the CEO, the company secretary and (if invited) other executives, shall be decided by the chairperson.

### **7.3. Chairperson of the Meeting**

Board meetings are presided over by the Chairperson of the Board. If s/he is absent, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.

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

(a) Preference for Unanimity

The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached. If there are no dissenting opinions voiced, a resolution is *de facto* considered approved.

(b) Individual Vote

Subject to the Constitution, each Board member has the right to cast one vote.

(c) Majority Vote and Quorum

Where unanimity cannot be reached and the law or the company's Constitution do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast by the directors present. In the event of a tie, the chairperson of the Board has a casting vote. At a meeting, the Board may only pass resolutions if there is a quorum in accordance with the Constitution.

(d) Adoption at Meeting

Resolutions of the Board are adopted at a Board meeting.

(e) Written Consent

Board resolutions may also be adopted in writing in accordance with the Constitution.

(f) Minutes

Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting in line with the Constitution of the Company. The minutes are to be signed by the chairperson of the meeting and then added to the company's records. Each member of the Board shall receive a copy of the minutes. Each member of the Board may demand a note explaining how s/he voted or that a formal declaration by him be included in the minutes.

## 8. OTHER PROVISIONS

### 8.1. Conflicts of Interest of Board Members

(a) Duty to Disclose

A Board member shall immediately report to the chairperson of the Board any conflict of interest or potential conflict of interest which s/he becomes aware of, and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree, and shall request that this conflict of interest be inserted in the Director's interests register. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

(b) Related Party Transactions

A potential conflict of interest exists if the company intends to enter into a transaction with a related party, and the company shall develop a policy on how to ensure that the rights of shareholders are protected during such transactions. A related party includes the following:

- i. The Board members of the Company, its parent company, affiliated or sister companies and associates;
- ii. A parent company and any subsidiary or affiliated company 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 Clauses (i, ii and iii);

- vi. Any business, and the governing board members, CEO and key officers of any business, in which the natural persons listed in paragraphs (i) to (v) own jointly or severally at least 5% of the voting rights;
- 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 paragraphs (i) to (vi) above.

(c) Abstention by Conflicted Party

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

(d) Requirements to Approve Conflicts of Interest

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the company's business. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

## **8.2 Other financial matters regarding Board Members**

(a) Reimbursement of Costs

Apart from their compensation, Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the chairperson of the Board. Any other expenses shall be reimbursed only if incurred with the prior consent of the chairperson or the company secretary on his or her behalf (or if it concerns the chairperson, the vice-chairperson or the company secretary on his or her behalf).

(b) Loans and Guarantees

The company and its subsidiaries do not grant personal loans, guarantees or the like to Board members, save as part of its usual business operations.

## **8.3. Induction Program, Ongoing Training and Education**

(a) Induction Program

Upon his or 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.

(b) Training for Board members

Further to the Board assessment to be conducted at least every 2 years, the Board shall identify areas where the members require further training or education.

(c) Costs of Company

The costs of the induction course and any training or education shall be paid for by the company.

#### **8.4. Other Positions**

(a) No Excessive directorships

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

(b) Notice of Outside Positions

Board members must inform the 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 before accepting such positions. If the chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with this charter. The company secretary shall keep a list of the outside positions held by each Board member.

#### **8.5. Confidentiality**

(a) Duty to Keep Information Confidential

Unless required to do so by law, no Board member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the company and which s/he knows or should know to be of a confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the company and companies in which the company holds a stake who, in view of their activities for the company and companies in which the company holds a stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit and shall not trade in the Company's shares during the close periods as defined by the Listing Rules

(b) Return of Confidential Information

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

(c) Notice of Disclosure

If a Board member intends to disclose to third parties information which s/he has become aware of in his or her duties and which may be confidential, s/he must inform the chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

## **8.6. Miscellaneous**

### **(a) Acceptance by Board Members**

Anyone who is appointed as a Board member must, upon assuming office, declare in writing to the company that s/he accepts and agrees to comply with the provisions of this charter. A corresponding reference to this extent is included in a governing board member's appointment letter.

### **(b) Occasional Non-Compliance**

The Board may occasionally decide at its sole discretion not to comply with the provisions of this charter, where it is in the interests of the Company.

### **(c) Amendment**

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

### **(d) Interpretation**

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

### **(e) Partial Invalidity**

If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.

Approved by the Board of Directors of Innodis Ltd on \_\_\_\_\_

CHAIRPERSON

DIRECTOR