



P.O.L.I.C.Y. LIMITED
BOARD CHARTER



INTRODUCTION

P.O.L.I.C.Y. Limited is an investment company and was constituted as a public limited liability company in 1979. The company listed on the stock exchange of Mauritius ('SEM') in December 1992 and is subject to the rules and regulations of the SEM and to the legal obligations of a Public Interest Entity.

Due to the nature of its activity, the company does not require an operations staff. It currently makes use of two service providers for any day to day business needs, namely IPRO Fund Management Ltd (Investment Advisor) and Abax Corporate Administrators Ltd (Administrator, Company Secretary, Registrar and Transfer Agent). These service providers have been transparently and properly appointed and the relationship is regularly reviewed. P.O.L.I.C.Y. Limited does not have any shares in the business of these service providers.

PURPOSE AND OBJECTIVES

The purpose of this Charter is to set out the roles, responsibilities and powers of the board as well as the practices of the board in respect of its responsibilities.

CONSTITUTION AND COMPOSITION

- a. P.O.L.I.C.Y. Limited ("the Company") is represented by the board of Directors ("the board") to fulfil the functions and meet the requirements as laid down in the Companies Act 2001, the Securities Act 2005(amended in 2011), the listing requirements of the SEM, the Financial Reporting Act 2004 and the Code of Corporate Governance of Mauritius 2016.
- b. Each director shall be selected and appointed or removed by the board, as assisted by the Nominations Committee, subject to final approval by the board and by the shareholders in a general meeting.
- c. There will be a minimum of five (5) directors at all times or such additional number as is required to satisfy the composition requirements of the board committees. There will be no more than ten directors as laid down in the constitution of the Company. All new appointments will require a written acceptance from the new appointee confirming his/her acceptance of the role as director and subject to satisfying the conditions laid out in the Company's Act 2001. [Principle 3]
- d. The Chairman should be a competent, skilled and knowledgeable person, capable of independent and impartial thinking. [Principle 2]
- e. There shall be a majority of non-executive directors on the board, with an appropriate balance of independent-minded directors. It is further noted that the board must be structured in such a way as to prevent no one individual director or group of directors dominating the board or unduly influencing its decision making. [Principle 2]
- f. There shall be at least one woman and one man on the board as per the provision of the Code for Corporate Governance 2016. [Principle 2]
- g. The board may appoint committees (Principle 1).

MEETING FREQUENCY

- a. Board meetings shall be held as determined by the board, but as a minimum four times a year
- b. A record shall be kept of the attendance of directors at board meetings. The board shall, after careful consideration and discussion, make decisions by a majority of votes
- c. The agenda will be formulated in such manner as determined by the board from time to time.
- d. The Chairman shall, with the assistance of the Company Secretary, ensure that information and data that is important to the board's understanding of the business and containing information required for directors to exercise their skills, knowledge and expertise, be distributed in writing, to the extent reasonably practical, one week before the board meets.
- e. Board papers should be sent to the board members in advance so that the board's meeting time can be conserved, and the discussion time focused on questions that the board has about the material. On those occasions when the subject matter may in the opinion of the Chairman be too sensitive, certain documents will only be distributed at the meeting.
- f. Minutes of all board meetings shall record the proceedings and decisions taken, the details of which shall remain confidential.
- g. All directors shall ensure that they are available to attend board meetings, committee meetings and other meetings as required. Every effort shall be made to ensure that meetings are scheduled one year in advance to ensure that Directors can plan accordingly. If, for some reason, a director cannot attend a meeting, then he or she will notify the Chairman and Company Secretary in writing.

ROLES AND RESPONSIBILITIES OF THE BOARD

- a. The mission of the board is to represent the interests of the stakeholders of the Company, in perpetuating a successful and sustainable business that ensures the achievement of the vision and purpose of the Company. [Principle 1]
- b. The board's role, whilst retaining full and effective control over the Company, is to guide, evaluate and control the actions of the service providers, without becoming active in or interfering in the day-to-day management of the business. It must be involved in all material decisions affecting the Company but may delegate responsibility with regard to investment and operational matters to either a committee of the board or to a relevant third party as recorded in the constitution. The board is also responsible for ensuring compliance with all relevant laws, regulations and codes of business practice. [Principle 4]
- c. In addition, the board has a responsibility towardsthe broader stakeholders which include the present and potential beneficiaries of the Company's products and services, clients, lenders, creditors and other corporate stakeholders, to achieve continuing prosperity for the Company. [Principle 8]
- d. The individual directors of the board carry full fiduciary responsibility in terms of the Companies Act 2001 and shall take full responsibility for same.

INDUCTION OF NEW DIRECTORS

- a. An induction programme aimed at gaining a full understanding of the Company, its operational environment and the sectors in which it invests shall be conducted for all newly appointed directors. This program shall be the responsibility of the Company Secretary with the oversight of the Chairman of the board. [Principle 3]
- b. Directors have a responsibility to acquaint themselves with their fiduciary duties, and responsibilities, as well as with the issues pertaining to the operations and business environment of the Company so that they are able to fulfill their duties. [Principle2]

INSURANCE

The Company shall ensure that all directors are covered by a directors' liability insurance, the cost of which will be borne by the Company.

CONFLICT OF INTEREST

- a. A director is not disqualified by virtue of his office from contracting with the Company. Full disclosure of the nature of a director's interest on any matter before the board is however required.
- b. A director may not vote on any matter in which he/she has an interest. Additionally, he/she shall notify the board of such interest prior to any board discussions taking place on the matter and shall be recused from any meeting or shall abstain from voting when such matters are discussed.

COMMITTEES [Principles 5, 6]

- a. The board is responsible for appointing committees and should set out their purpose. The composition of each committee shall comply with prevailing regulations and statutes governing the Company.
- b. Each committee chair will report back to the full board on the work of the committee and issues discussed at each committee meeting. Minutes of committee meetings will be tabled at board meetings.
- c. Each committee will have its own terms of reference which will be reviewed and approved by the board on an annual basis.
- d. Audit & Risk, Remuneration, Nomination & Corporate Governance and Investment Committees have already been constituted.

Assignment of committee members

The Chairman, considering the competencies and experience of each director, as well as the desires of individual directors where appropriate and practically possible, shall propose the assignment of directors to various committees.

EVALUATION OF DIRECTORS

The contribution of the board and its sub-committees is assessed on an annual basis. The directors currently do an individual evaluation as well as a collective evaluation of the board. The results of the evaluation and recommendations that arise from the exercise will be discussed in detail with the view to improve the performance of the board. [Principle 4]

BOARD RELATIONSHIP TO EXTERNAL ADVISORS

Attendance of non-directors at board meetings [Principle 2]

The Chairman may permit members of the service providers and external providers to attend part of board meetings at specific or regular times. The purpose for such attendance is to provide the board with expert insight to their deliberations or with additional information on operational matters or as capacity building for potential directors or for other reasons as may be determined by the board. Any director may propose such attendance and consult the board before reaching a decision. In accordance with the Code, no person who is not a director may attend a board meeting for the duration with the exception of the Company Secretary.

Board access to Company's information and records

Board Members have unrestricted access to consult the Company's vendors and/or advisors regarding information about the operations of the Company, records, documents and property, which they may require to make competent decisions.

Board access to external experts

Board members may collectively or individually consult external professional advisors on any matter of concern to the Company after having advised the Chairman as appropriate. The Company shall be obliged to bear the costs of these consultation services.

SUCCESSION PLANNING [Principle 3]

While the constitution refers to a rotation of directors, all directors step down and are re-elected at every annual meeting. Care should however be taken that sufficient directors are elected to ensure that the fiduciary role of the board towards its stakeholders is not compromised.

COMPANY SECRETARIAL ROLE

The board is responsible for the selection and appointment of the Company Secretary. In addition, the board shall recognise the pivotal role to be played by the Company Secretary in the achievement of good corporate governance and empower this function accordingly.

The Company Secretary or deputy shall attend all board and committee meetings.

RESERVATION OF POWERS

- a. Except as reserved for the shareholders in terms of the Companies Act, the board has unfettered powers to govern the Company. The board shall adopt a strategic plan for the business. Such strategic plan will be reviewed and adopted annually.
- b. Besides the powers reserved for board approval, it delegates authority to its committees and selected partners/vendors to manage the Company and business, on a day to day basis. Regular quarterly board meetings are held, at which there is full coverage of all events and initiatives within the business during that quarter. Although the delegation of authority exists, the board still makes the final decision for all executive and strategic decisions.
- c. Other powers including, inter alia, the setting of committee charters and Company policies, may be delegated to the board committees and/or designated directors where appropriate financial limits and contract terms may be set as well as conditions for pre-approval or post-ratification.
- d. Notwithstanding any delegation of duties to board committees or to the service providers, should this be in place, the board retains its powers and overall responsibility for the running of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL [Principle 7]

- a. The board is responsible for determining the policies and processes necessary to ensure the integrity of controls and risk management. The board must also ensure that it continually reviews and forms its own opinion on the effectiveness of the risk management process. [Principles 5+6]
- b. The Risk & Audit committee is mandated to assist the board in reviewing the risk management process, the significant risks facing the Company and the adequacy of plans to manage and mitigate these risks.

MONITORING OF OPERATIONAL PERFORMANCE [Principle 6]

The board shall monitor and evaluate the implementation of the Company's strategies, policies and business plans, as a measure of operational performance of the service providers. The mechanism for achieving this will include annual and periodic evaluation.

The Board will also establish appropriate reporting structures to ensure it can adequately track compliance with all policies and ethical standards the Board has determined.

PUBLIC COMMUNICATIONS & STAKEHOLDER RELATIONS [Principle 8]

- a. Public communications on the affairs of the Company is normally dealt with by the service providers. The board may by exception decide to communicate directly, in which case, only the Chairman shall make such communication.
- b. An individual director, however, has the fiduciary responsibility to a wide range of stakeholders. Where such director is compromised by a serious matter of conscience and feels compelled to make a public communication, he or she shall first, where legally permissible, discuss the matter with the Chairman and, on the Chairman's advice, with the relevant stakeholder/s.

REVIEW AND APPLICATION OF THE CHARTER

This charter will be reviewed on an annual basis (or earlier if required from time to time) and any amendments thereof will be subject to the approval of the board.

Where this charter sets out pre-determined timelines and procedures, the board may deviate where it determines appropriate, provided that it does not contravene the listings requirements of the SEM, the Securities Act of 2005 (amended in 2011), the Companies Act 2001, the National Code of Corporate Governance or any other legal requirement.