



BOARD CHARTER

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1. Introduction

These provisions are complementary to the requirements regarding the Board and Board members contained in Mauritian legislation and regulations, the Constitution of the Company and the provisions governing the relationship between the committees and the Board as contained in the charters of the committees (which have been adopted by the Board).

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 committees, will determine and regularly assess the composition of the Board and the skill mix of Directors in line with the nature of the Company's business and its subsidiaries, strategy, and the desired expertise and background of the Board members (the 'Board Profile').

(b) Number of Members

The Board shall have a minimum of two and a maximum of seven 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 organisation in size and sophistication.

(d) Independence

Each board member, irrespective of executive, non-executive and independent directors, shall act with an "independent mindset". The Board promotes each director to contribute with an independent mindset without any conflict of interest.

(e) Diversity

HV Group believes that a Board with a diverse background reflects the talent required to promote better corporate governance.

2.2. (Re) Appointment, Term of Office, Resignation

(a) Election by Shareholders

The appointment of new Directors is subject to confirmation by shareholders at the Annual General Meeting or by way of shareholders resolution.

(b) Re-election

The Board is aware that each Director should be elected (or re-elected as the case maybe) every year at the Annual Meeting of Shareholders. Before recommending a member of the Board for re-election, the Board must carefully consider his or her past performance on the Board.

2.3. Chairperson

(a) Election

The Board shall elect a Chairperson from among its members and determine the period for which he is to hold office.

Where no chairperson is elected, or where at a meeting of the Board the chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.

(b) Duties

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees. He/She shall act as the spokesman for the Board. The Chairperson of the Board presides over the general meeting of shareholders.

(c) Responsibilities

The Chairperson ensures that:

- Provides overall leadership to the Board
- Board members, when appointed, participate in an induction program
- Ensures the effectiveness of the Board in its duties and oversee the implementation of HV Group's strategy and governance processes in line with the interests of the HV Group
- Chairs and conducts meetings
- Makes recommendations to the Company Secretary on the Board meetings agendas aiming at concentrating on strategic matters
- Ensures that directors receive accurate, timely and clear information
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management
- Ensures that there is effective communication within the Board, between the Board and shareholders, and that each Director develops and maintains an understanding of all stakeholders' views
- Oversees succession planning process at the Board and Senior Executive level

- Ensure the performance of the Board, its Committees and directors (executive, non-executive and independent) on a yearly basis
- Manage the Board so as to allow enough time for discussion of complex and/or critical issues by all Board members and other staff members in attendance

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 correct procedures and that the Board complies with its obligations under the laws and the Company's constitution. The Company Secretary shall assist the Chairperson of the Board in organizing the Board's activities (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 the following three committees at the outset:

Audit and Risk Committee

- Assist the board in fulfilling its oversight responsibilities.
- Main responsibility is to review integrity of financial statements and effectiveness of internal and external audits.
- Consider the independence of the external auditors and making recommendations to the Board on their appointment or dismissal.
- Review the effectiveness of the Group risk management process and approve strategies to address potential risks throughout the whole organization.

Corporate Governance & Compliance Committee

- Advises the board on matters pertaining to Corporate Governance and ensures principles of National Code of Corporate Governance are applied.
- Mandate to address and review matters relating to nomination of directors, including subsidiaries.

Remuneration Committee

- Review the remuneration structure of the Group for Senior Management and staff members.

(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. The Board will be able to delegate to the Committees and/or any employee of the Company any such responsibility except such powers which cannot be delegated under Seventh Schedule of the Companies Act 2001 or any powers conferred to the shareholders under the applicable laws.

(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.

It may be required to establish other committees from time to time to consider matters of special importance.

3. Duties and Powers

(a) General Responsibilities

The Board oversees the general business of the organisation. The entire Board is responsible for such supervision and oversight. The Board main responsibilities are set forth under Section 143 of the Companies Act 2001.

(b) The Board Acts in the Interest of the Organisation

The Board shall act in the best interests of the organisation and its business, taking into consideration the interests of the organisation'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 organisation. 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 organisation, 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 organisation. 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.

4. External Auditors

(a) External Auditor

The Board shall ensure that the external auditor attends the meeting of the Board at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the Board decides whether or not to approve the annual accounts.

(b) Recommendations by External Auditor

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the organisation's internal controls, as expressed in the 'management letter'.

(c) Appointment of External Auditor

The external auditor shall be appointed by the general meeting of shareholders. The Board shall nominate a candidate for this appointment to the general meeting of shareholders based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor. The Audit Committee shall advise the Board on such matters.

(d) Compensation of External Auditor

The compensation of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the Audit Committee, thus ensuring for the auditor's independence.

(e) Reports to the Board

The Audit Committee shall report their dealings with the external auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor providing both auditing and non-audit services to the organisation). The Board shall take this into account when deciding its nomination to the general meeting of share holders for the appointment of an external auditor.

(f) Assessment

At least once every three years, the Audit Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general assembly so it may assess the nomination for the appointment of the external auditor.

The Board consider whether the audit partner should be rotated at least every 5 years.

(g) Conflicts of Interest

Conflicts of interest and potential conflicts of interest between the external auditor and the Company shall be resolved as determined by the Board on the recommendation of the Audit Committee and the Internal Audit Manager /Internal Control Manager of the Company. Board members must inform the Chairperson of the Audit Committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Company.

5. Compensation of Board Members

The remuneration of directors is approved by the shareholders. Directors receive a fixed fee and/or an attendance fee for each board or committee meeting.

6. Relations with Shareholders

(a) Compliance with Law

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

(b) Attendance by Board members

The Chairperson shall ensure that (unless there are important reasons) all the members of the Board shall attend the general meetings.

(c) 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.

(d) Changes to Corporate Governance

Any substantial change to the corporate governance structure of the Company shall be submitted to the general meeting for discussion under a separate agenda item.

(e) Attendance by external auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor 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 organisation's financial statements.

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 2 times a year. The Board shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board or two other members of the Board.

(b) Notice and Agenda

Meetings of the Board are called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members at least 7 calendar days before the meeting. There might be situations where a Board meeting is called for a special matter within 48 hours, and the members will do their utmost best to attend such meeting. 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 fourteen calendar days prior to the meeting.

(c) Venue

Board meetings are generally held at the offices of the organisation 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.

7.2. Attendance of and Admittance to Meetings

(a) Attendance by CEO

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 meetings of the Board in whole or in part.

(b) Proxies

A Board member may be represented at Board meetings by another Board member holding a proxy in writing. The existence of such authorization must be proved satisfactorily to the Chairperson of the meeting.

(c) Attendance by Non-Members

The admission to a meeting of persons other than Board members, is permitted where their input would potentially be required as per the agenda presented to the Board Members in the notice of meeting.

7.3. Chairperson of the Meeting

(a) Chairperson

Board meetings are presided over by the Chairperson of the Board.

(a) Individual Vote

Each Board member has the right to cast one vote.

(b) Majority Vote, Quorum

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. In the event of a tie, the Chairperson of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if the majority of the Board members are present or represented.

(c) Written Resolutions

Board resolutions may also be adopted in writing in accordance with Section 158 of the Companies Act 2001 , provided the proposal concerned is submitted to all Board members and none of them objects to this form of adoption.

(f) Emergency Procedures

The Board may deviate from the provisions of Sections (b) and (c)) if this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances of the case, provided that all Board members are allowed the opportunity to participate in the decision-making process. The Chairperson of the Board and the Company Secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Board.

(g) Minutes

Minutes must be drawn up for every Board meeting. 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. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

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 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. 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 organisation intends to enter into a transaction with a related party, and the organisation 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 Organisation, its parent organisation, affiliated or sister companies and associates;
- (ii) a parent organisation and any subsidiary or affiliated organisation 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) the father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Clauses (i, ii and iii);
- (v) 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 (iv).

(c) 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 organisation'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 Induction Program

(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 organisation, any specific aspects unique to the organisation and its business activities, and the responsibilities of a Board member.

8.3 Other Positions

(a) Notice of Outside Positions

Board members must inform 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 Board 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.

8.4 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 of its subsidiaries, affiliate companies whether in Mauritius or in any other jurisdiction that came to his or her knowledge in the capacity of his or her work for the Company and which he/she 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 organisation and companies in which the Company holds a stake who, in view of their activities should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

(b) Return of Confidential Information

At the end of each Board member's term of office, he/she 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 he/she has become aware of in his or her duties and which may be confidential, he/she 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.

8.5. Miscellaneous

(a) Occasional Non-Compliance

If permitted by law, the Board may occasionally decide (by unanimous decision) at its sole discretion not to comply with the provisions of this charter.

(b) Amendment

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

(c) 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.

(d) 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 provision.