

# **AFRICURE PHARMACEUTICALS LIMITED**

## **CORPORATE GOVERNANCE CHARTER**

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## **1. INTRODUCTION:**

Africure Pharmaceuticals Limited (“Africure”) was incorporated as a private company limited by shares on 17<sup>th</sup> March 2017 and has its registered office at 6<sup>th</sup> Floor, Tower A, 1 CyberCity, Ebene, Mauritius. The Company holds a global business license under the Mauritian Financial Services Act, 2007 and is regulated by the Financial Services Commission. On 16<sup>th</sup> December 2020, the Company was converted into public company limited by shares and on 18<sup>th</sup> January 2021, Ordinary shares of the Company was listed on the official market of the Stock Exchange of Mauritius.

## **KEY MANAGEMENT TEAM:**

An organization is as dynamic and effective as its people. At Africure, the vast experience and the strategic focus of the key Management Team steer us towards our goals. The Key Management Team focuses on driving innovative work practices and higher process maturity across the organization. It executes its role in corporate governance through regular reviews of financial performance and critical business issues.

## **2. PREAMBLE:**

At Africure, we believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, policies, relationship with stakeholders and the commitment to values, coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

Africure’s Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. The Board of Directors and the Management at Africure are committed to the enhancement of shareholders value.

At Africure we continue to be a pioneer in benchmarking our Corporate Governance policies with the best in the World.

We are in compliance with the recommendations of the National Code of Corporate Governance of Mauritius (2016). The Directors will review these mechanisms and policies from time to time.

## **Corporate Governance Philosophy:**

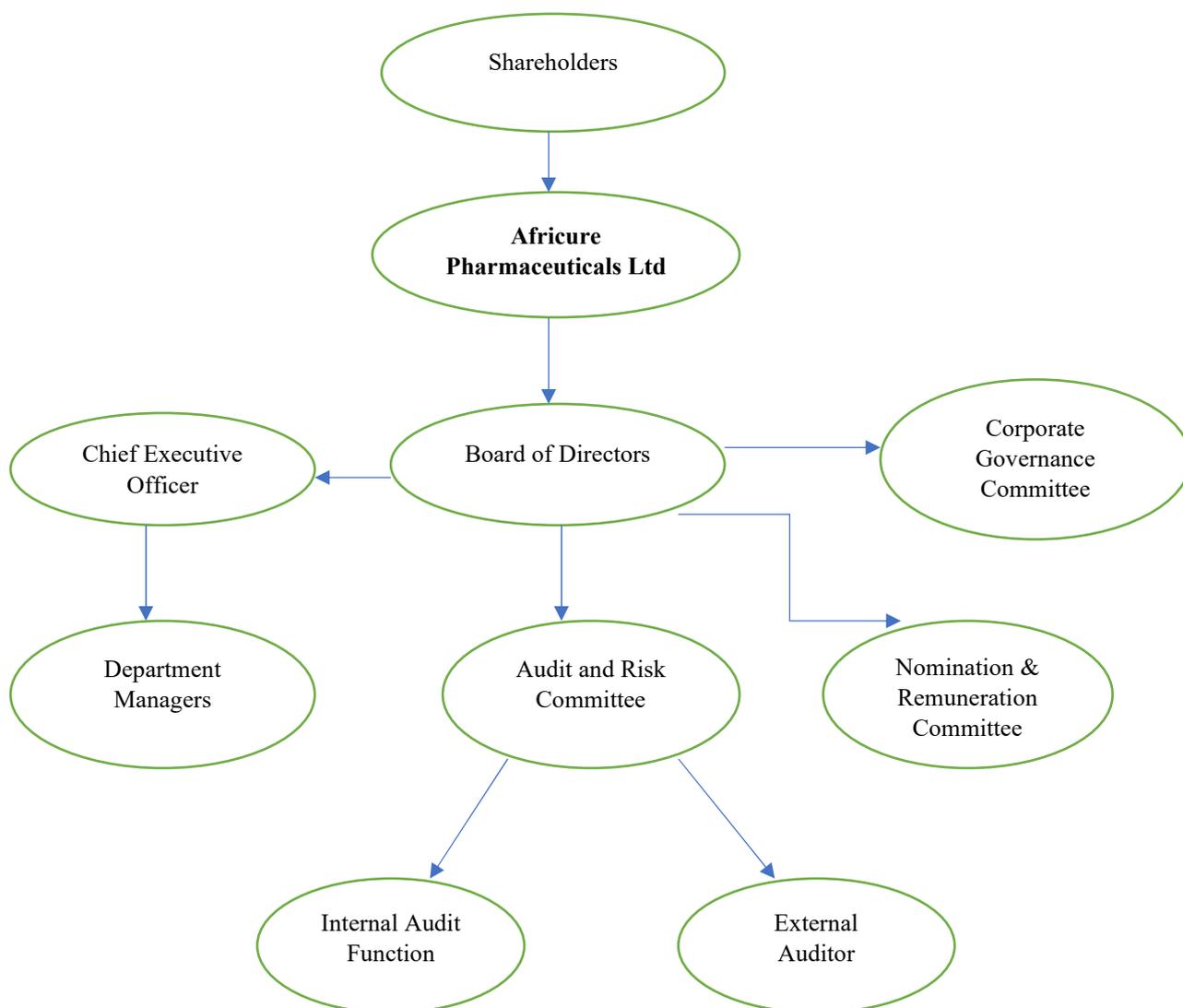
Africure’s Corporate Governance philosophy is based on following principles:

- Satisfying the spirit of the law and not just the letter of the law
- Complying with the laws in all the countries in which the Company operates
- Going beyond the law in upholding corporate governance standards
- Maintaining transparency and high degree of disclosure levels
- Having a simple and transparent corporate structure driven solely by business needs
- Embracing a trusteeship model in which the management is the trustee of the shareholder’s capital and not the owner
- Making a clear distinction between personal convenience and corporate resources
- Driving the business on the basis of the belief, ‘when in doubt, disclose’
- Communicating externally in a truthful manner about how the Company is run internally.

## **3. GOVERNANCE STRUCTURE:**

Africure is led by committed and unitary Board, which is collectively responsible for the overall leadership and oversight of the organization. The Board sets out the strategic direction and has entrusted the day to day running of the company to the leadership team with their performance and

effectiveness closely monitored against set objectives and policies. The fundamental relationships among the Board, Board Committees and leadership team are illustrated in the following diagram.



#### **4. BOARD OF DIRECTORS:**

The Board comprises of Chief Executive Officer (“CEO”) & Chief Financial Officer (“CFO”), and at present the majority of the Board, seven (7) out of nine (9), are independent Non-Executive Directors, of which one (1) being Women Director. As active and well-informed members of the Board, they are fully committed to ensuring the highest standards of Corporate Governance.

The Board exercises independent judgement and plays a vital role in the oversight of the Company’s affairs. While the Company’s Day to day affairs is managed by a competent management team under the overall supervision of the Board.

The Board acts in the best interests of the company and protects the general interests of the shareholders by ensuring sustainable development of the company.

The Board has constituted several Committees to focus on well-defined areas of responsibilities, with a mandate to make time-bound recommendations.

#### **4.1 Powers and Obligations of the Board:**

- 4.1.1 The Board has full power to perform all such acts as are necessary or useful to further the objects of the company;
- 4.1.2 The Board is responsible for approving Group strategy, setting the accepting level of risk for the company, together with key policies, and should prepare (or cause to be prepared) the annual financial statements, budgets and periodic accounts;
- 4.1.3 The Board has the widest power to carry out any acts of management or of disposition that shall interest the company. All that is not expressly reserved for the Shareholders in General Meetings by law or by the company's Constitution is *intra vires* the Board;
- 4.1.4 The Board ensures that its obligations towards its Shareholders are understood and met, and ensure that the quality and completeness of the information provided to the Shareholders is in accordance with laws and regulations;
- 4.1.5 The Board shall review any complaint/grievance made by the Shareholder and take appropriate corrective action if necessary;
- 4.1.6 The Board ensures that its employees are and remain fully informed of and comply with the laws, codes, rules, regulations, etc applicable to the company and its subsidiaries;
- 4.1.7 The Board shall exercise control over operations and ensure that the procedures for exercising and monitoring these controls are strictly respected;
- 4.1.8 The Board shall implement any recommendations made by external auditors and national regulators;
- 4.1.9 The Board should periodically review the quality of goods and services produced by the company and its subsidiaries;
- 4.1.10 The Board shall ensure that files and documents i.e. physical and electronic form, are securely stored in accordance with company's policies;
- 4.1.11 The Board shall ensure that all communications with Shareholders, national regulators or third parties are handled by authorized personnel only and in accordance with the company's privacy policy.

#### **4.2 Board's Decision-Making Process:**

- 4.2.1 **Nature of Board Meeting:** The Board shall be collegial and deliberative, to gain the benefit of each individual Directors judgement and experience. The Chairman shall take an active lead in promoting mutual trust, open discussions, constructive dissent and support for decisions after they have been made.
- 4.2.2 **Duration of Board:** Meetings: Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate.
- 4.2.3 **Information for Meetings:** The Chairman is responsible for the leadership of the Board and for the efficient functioning of the Board. The Chairman shall

ensure that all Directors receive an agenda, minutes of prior meetings, and adequate background information in writing before each Board Meeting and when necessary, between meetings. All Directors shall receive the same Board Information. At the same time, Directors shall have a legal duty to inform themselves and they shall ensure that they receive adequate and timely information and shall study it carefully.

4.2.4 **Duties of Non-Executive Directors:** Potential Non-Executive Directors shall be made aware of their duties before their nomination, particularly as to the time commitment required. The Nomination and Remuneration Committee shall regularly review the time commitment required from each Non-Executive Director and shall require each Non-Executive Director to inform the Committee before he/she accepts any Board appointments to another company.

#### 4.3 **Director's Independence of Judgment:**

4.3.1 **Independent Judgment:** Every Director shall bring independent judgement to bear in decision making. No individual or group of Directors shall dominate the Board's decision making and no individual shall have unfettered powers of decision.

4.3.2 **Information from Executive Director:** Executive Directors shall provide the Board with all relevant business and financial information within their cognizance and shall recognize that their role as a Director is different from their role as an officer of the Company.

4.3.3 **Independence of Non-Executive Directors:** Non-Executive Directors shall be fully independent of management and shall constructively scrutinize the management including the management performance of Executive Directors.

4.3.4 **Chairman to be Independent Director:** The Chairman shall be an Independent Director.

4.3.5 **Reviewed of Independence:** The Board shall review the independence of each Independent Director at least annually in light of interests disclosed by them. Each Independent Director shall provide the Board with all necessary and updated information for this purpose.

4.3.6 **Meeting of Independent Directors:** To facilitate free and open communication among Independent Directors, each Board meeting shall be preceded or followed with a session at which only Independent Directors are present, except as may otherwise be determined by the Independent Directors themselves.

#### 4.4 **Boards Representation of all Shareholders of the Company:**

4.4.1 **Shareholders representation:** Each Director shall consider himself as representing all shareholders and shall act accordingly. The Board shall avoid having representatives of specific groups or interests within its membership and shall not allow itself to become a battleground of vested interests. If the Company has a controlling shareholder (or a controlling group of shareholders acting in concert), the latter shall recognize its or their specific responsibility to the other shareholders, which is direct and is separate from that of the Board. Minority shareholders shall generally look to Independent Directors' diligent regard for their interests, in preference to seeking specific representation on the Board.

4.4.2 **Controlling Shareholder's responsibilities:** To the extent the Company has a controlling shareholder, both controlling and non-controlling shareholders shall be aware of controlling shareholder's specific responsibilities regarding their duty of loyalty to the Company. The Chairman or other individual delegated by the Chairman shall take the lead in explaining this with the help of Secretary of the Board.

#### **4.5 Committees of the Board:**

4.5.1 The Board may, from time to time, create specialized committees when and as such committees are needed.

4.5.2 The Board to delegate certain functions to the Audit and Risk Committee and the Nomination and Remuneration Committee. The Board to be conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually, and such terms of reference will be disclosed in the Company's directors' report.

4.5.3 The Corporate Governance Committee shall ensure that the reporting requirements whether in the annual report or on an ongoing basis, are in accordance with the principles of this charter.

4.5.4 External advisors and executive Directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

4.5.5 A sub-committee appointed by the Board, will apprise the performance of the CEO at least annually. The Board to delegate certain functions to the Audit and Risk Committee and the Nomination and Remuneration Committee. The Board to be conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference to be disclosed in the company's Directors report.

4.5.6 The Board as a whole and individual Directors will have their overall performance periodically reviewed in order to identify areas of improvement in the discharge of individual Director's and the Board's functions on an annual basis. This review will be undertaken by a sub-committee appointed by the Board, and if so, determined by the Board, by an independent service provider.

#### **4.6 Attendance of Board/Committee Meetings:**

4.6.1 The Quorum of Board Meetings of the Board shall be fixed by the Board and if not so fixed shall be majority of the Directors, provided that at all times the presence of at least two (2) Mauritius resident Directors shall be required for the meeting to be quorate.

4.6.2 The Quorum for Audit and Risk Committee to transact the business shall be two (2) members and at least one must be an Independent Non-Executive Director.

4.6.3 The Quorum for Nomination and Remuneration Committee to transact the business shall be two (2) members.

## **5. LOYALTY OF THE COMPANY:**

### **5.1 Personal Accountability:**

- 5.1.1 **Acknowledgment of personal accountability:** Each Director and officer shall understand that under the Company Law he is personally accountable to the Company and the shareholders if he violates his legal duty of loyalty to the Company, and that he can be personally sued by the Company or the shareholders for such violations.
- 5.1.2 **Duty of Loyalty:** The duty of loyalty described in Section 5.1.1 (Acknowledgment of personal accountability) includes a duty not to use property of the Company for his personal needs as though it was his own property, not to disclose confidential information of the Company or use it for his personal profit, not to take business opportunities of the Company for himself, not to compete in business with the Company, and to serve the Company's interest in any transactions with the Company in which he has a personal interest.
- 5.1.3 **Code of Conduct:** The Board has established corporate standards for Directors and employees of the Company, which are set out in this Charter and the Code of Conduct. The Code of Conduct shall be communicated throughout the Company.

### **5.2 Avoidance of Conflicts of Interest:**

Each Director shall make every practicable effort to arrange his personal and business affairs to avoid a conflict of interest with the Company.

### **5.3 Disclosure of Conflicts of Interest:**

- 5.3.1 **Disclosure to the Board:** Each Director shall inform the entire Board of conflicts of interest (and potential conflicts of interest) in their activities with and commitments to, other organizations as they arise and abstain from voting on the matter in accordance with the relevant provisions of the Company Law. This disclosure shall include all material facts in the case of a contract or transaction involving the Director. The Directors must understand that any approval of a conflict transaction is effective only if all material facts are known to the authorizing persons and the conflicted person did not participate in the decision.

Each Director shall declare in writing all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of a company, a manager, or other form of significant participation) to the Board (or the Nomination and Remuneration Committee or the Audit and Risk Committee) on an annual basis.

- 5.3.2 **Unanimous Board approval for material conflicts:** Any decision to enter transactions under which a Director would have conflicts of interest or personal interest(s) that are material, shall be formally and unanimously approved by the full Board.

#### **5.4 Disclosure of Conflicts of Interest to Shareholders:**

The Company shall disclose to its shareholders in the Annual Report any abstention from voting motivated by a conflict of interest and shall disclose to its shareholders any authorization of a conflict-of-interest contract or transaction in accordance with the Company Law.

### **6. ROLE OF SENIOR MANAGEMENT:**

- 6.1 Senior Management shall:
- 6.1.1 have the necessary skills to manage the business under the oversight of the Board and have appropriate control over the personnel in these areas;
  - 6.1.2 implement strategies and policies approved by the Board and ensure that the strategies and policies are communicated to all relevant staff;
  - 6.1.3 be responsible for the design and monitoring of the control system in particular without prejudice to the generality of the requirement, inter alia ensure adequate segregation of duties, prevalence of dual control in all areas where required and avoid conflict of interest situation;
  - 6.1.4 provide the Board with timely, relevant and complete information on the affairs of the company as required by the Board for effective discharge of its responsibilities.
- 6.2 Senior officers must be in a position to exercise appropriate control over the key personnel in the business under their responsibility.
- 6.3 Furthermore, in the interest of better control, it is important that key management decisions are taken through management committees. The situation to be avoided include:
- Senior officers being overly involved in business line decision making;
  - Senior officers being assigned a business to manage without the necessary expertise and skills; and
  - Senior officers who are unwilling to exercise control over successful, key employees for fear of losing them.
- 6.4 With a view to preventing concentration of authority in a single individual, it is important that key management decisions are taken through management committees. While it is left to the discretion of the company to set up different committees and determine their mandates having regard to size and nature of the business.
- 6.5 **Chief Executive Officer (“CEO”):**
- 6.5.1 The CEO shall be a suitably qualified person with the requisite competencies to manage the company.
  - 6.5.2 Be directly responsible for the day-to-day operations of the company and shall be conversant with the state of internal control, requirement of legislation as well as current issues and policies affecting the pharmaceutical sector.
- 6.6 The CEO, with the active involvement and overview of the Board, is responsible for leading the financial institution into the future and must therefore, take the initiative of setting the vision and long and short-terms goals. He must ensure that an appropriate

strategic planning process is in place and take the lead in coming up and with a proposed strategic plan, including the objectives to be achieved.

**7. REPORTING AND DISCLOSURE:**

7.1 The Board shall:

- Demand integrity both in financial reporting and in timeliness and balance of disclosure on the company's affairs.
- Be responsible to ensure that the company's financial statements fairly present the state of affairs of the company as at the end of the financial year and the profit and loss and cash flow for the reporting period;
- Ensures that there is effective system of internal controls established in the company.

**8. REMUNERATION:**

8.1 The remuneration of directors, executives and key employees shall be fair and reasonable.

8.2 The Board shall have a clear policy setting out a guideline for determining the remuneration of executives, non-executive directors and key employees that is fair and reasonable in market for the skills, knowledge and experience of persons available and nature and size of the company. The remuneration should be established with due regard to the company's strategic plan, objective and control environment.

8.3 A Remuneration and Nomination Committee shall be constituted of which majority will be non-executive directors. The Committee shall make recommendations to the Board on the remuneration policy and determine the remuneration packages for each of the executive directors and key employees.

**9. RISK MANAGEMENT:**

9.1 The Board shall:

- ensure that the company's policies and systems are effective and aim to achieve prudential balance between the risks and potential returns to the Shareholders;
- specify the methods of authorization, limits and delegation as well as a dual control system to ensure accuracy of risk exposure limits;
- require management to implement comprehensive and rigorous process for risk management and internal control which identifies, monitors measures and controls different types of risks.
- Shall receive regular reports on the operations and the nature and magnitude of the risks the company is exposed to and a regular assurance that all the risk management system and internal controls are being properly applied at all times;
- Review the adequacy of risk management policies, systems and procedures proposed by management to confirm to any changes in strategies, products and market conditions;
- Ensure that compliance function forms part of the overall risk management framework and management is apprised of compliance related at least on a quarterly basis.

**10. INTERNAL AUDIT:**

Internal audit provides feedback to management on whether (i) the internal control system in place is performing effectively and is adequate to mitigate risks consistent with the risk appetite of the company; (ii) organizational goals and objectives are met and corporate governance processes are effective and efficient.

10.1 The Board shall ensure that:

- Internal audit function is properly established with adequate authority, scope and resources to enable the auditors to operate professionally and proficiently;
- Internal audit be performed by professionals with in-depth understanding of the business culture, system and processes of the company;
- Robust internal control procedures with appropriate reporting lines to the Board of directors are implemented with an oversight by the Audit and Risk Committee of the Board.

**11. INTERNAL CONTROL COMPLIANCE:**

Senior management is responsible for the development and implementation of adequate and sound system of internal controls. The Board of directors is responsible for ensuring that such a system is established and implemented.

The Board shall ensure that the financial institution has effective and adequate internal control and management information systems.

11.1 The Board shall:

- Review at least annually the system of internal controls to determine whether it works to expectation and to ensure that it remains appropriate;
- Ensure the integrity of the data and information produced.

11.2 The Board through its Audit and Risk Committee shall ensure that the company complies with regulatory requirements including prudential requirements and various reporting obligations.

**12. EXTERNAL AUDITORS:**

12.1 The Board shall:

- Ensure the quality and independence of the external audit process;
- Satisfy itself that there is no relationship between the auditors and the company or any related person that could compromise the independence of the auditors, and shall require confirmation of this from the auditors;
- Ensure that the auditors evaluate and make an opinion on the effectiveness of the financial institution's internal controls and accounting systems and other reports.

12.2 The audit firm that provides auditing services may be engaged to provide other non-audit work subject to:

- Prior approval by the audit committee to avoid possible conflicts of interest and to ensure the independence and objectivity of the audit work;
- The selection of the audit firm shall not be conditioned by the fact that it is already the external auditor of the company.
- The activity shall not be in conflict with the firm's role as external auditor.

- The remuneration for the non-audit work shall not be disproportionately large in relation to the audit fees;
- In any case the person carrying out the non-audit work shall not be the partner/engagement partner carrying the audit work.

12.3 The appointment and re-appointment of the external auditors shall be in accordance with the Companies Act.

### **13. ROLE AND FUNCTIONS OF THE COMPANY SECRETARY:**

13.1 The company secretary plays a key role in application of corporate governance in the company.

13.2 The company secretary should ensure that the company complies with its constitution and all relevant statutory and regulatory requirements, codes of conduct and rules established by the board.

13.3 The company secretary must provide the board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the company.

13.4 The company secretary is a central source of guidance and advice to the board on matters of ethics and good governance.

13.5 The company secretary is the focal point of contact within a company for institutional and other shareholders.

### **14. INTEGRATED SUSTAINABILITY REPORTING:**

14.1 The Board shall:

- Formulate objectives of a non-financial nature towards the achievement of balanced economic, social and environmental performance, referred to as the “triple-bottom-line”.
- Set non-financial objectives and policies to identify its non-financial or “off balance sheet” assets and determines the extent to which these assets will contribute towards “sustainable development” of the company and protect the company’s ability to create future wealth.
- In the long-term economic interest to conduct the company as a “responsible corporate citizen”, and, to act in a manner which is non-exploitative, non-discriminatory and respectful of human rights.
- Look at integrated sustainability reporting policies that primarily focus on social context, physical environment and community within which the company operates with the aim of achieving long term objectives and social aspirations, recognised and formulated by the company.
- Provide an indication of past achievements of non-financial nature as well as the aims of the company in the long run and its plans on as to how to achieve them in its integrated sustainability report.

**15. CODE OF ETHICS:**

15.1 The Board shall:

- When adopting a code of ethics, of the company should primarily address issues relating to ethical practices of relevance to the particular circumstances of its business environment, including the practical application of its corporate values and the concept of honesty and integrity. The code should make clear what is acceptable and unacceptable practice and should be easy to communicate to all stakeholders, especially the company's officers and employees who will rely on it, so as to guide them in their dealings.
- Ensure that code of ethics should refer to the principles, norms and standards that the company wants to promote and integrate within its corporate culture in the conduct of its activities, including internal relations, interaction and dealings with external stakeholders.
- Formulate its code of ethics, by considering specific circumstances by identifying risk areas within the particular industry in which it operates, by making necessary reference to relevant laws and regulations that apply to the company's activities and services.
- Ensure that the company should promote awareness, both internally and externally and emphasise the importance for the reputation of the company of adherence to exemplary standards of conduct and ethical practice.

**16. STAKEHOLDER RELATIONS:**

16.1 The Board shall:

- Take into consideration the interest of all stakeholders such as its customers, employees and suppliers when implementing the company's strategies. Ensure that the company's policies and values should, as far as possible, be communicated to all stakeholders so as to build a mutually beneficial relationship.
- Ensure that an appropriate balance is maintained between the interests of stakeholders and the interests of the company.
- Consider that although responsibilities of certain stakeholders such as its officers might be confined to the interests of the corporation, companies are responsible to society as regards their social role and functions. Accountability to the company does not preclude responsibility to society.

**17. SAFETY, HEALTH AND ENVIRONMENT:**

17.1 The Board shall:

- Develop and implement safety, health and environment policies and practices at least comply with existing legislative and regulatory frameworks.
- Ensure that the company is familiar with relevant provisions of the labour laws, the Occupational Safety, Health and Welfare Act, the Environment Protection Act and any other legislation applicable to the company.
- Ensure that the company undertakes health and safety risk identification and assessments leading to sound risk management strategies within the company's particular field of activity.

**18. COMMUNICATION AND DISCLOSURE:**

- 18.1 It is the duty of the Board to keep shareholders informed regarding material events affecting the company.
- 18.2 The company respects the right of its Shareholders and will ensure they receive equal treatment.
- 18.3 All shareholders receive a copy of the company's annual report as well as having an open invitation to the company's presentation of its annual and interim results.
- 18.4 The company places a high premium on the quality of its relationship with its individual and institutional shareholders. The company is committed to regular dialogue and transparency in relations with its shareholders and provide individual shareholders with regular and interactive information.
- 18.5 All shareholders are invited to the company's Annual Meeting of shareholders held each year.
- 18.6 All shareholders shall be provided with sufficient prior information regarding the agenda of the Annual Meeting and Special Meetings of shareholders. Date and location shall be decided for the maximum participation of shareholders.
- 18.7 The notice sent to shareholders should clearly explain the procedures regarding proxy voting and should include deadlines as to when proxies should be received.
- 18.8 The Board should ask management to present major operational developments to the Meeting of Shareholders and should encourage shareholder questions and discussion.

**19. APPENDIX:**

- 19.1 Audit and Risk Committee:**
- 19.2 Nomination and Remuneration Committee:**
- 19.3 Corporate Governance Committee:**

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# **Africure Pharmaceutical Ltd**

## **CHARTER**

### **CORPORATE GOVERNANCE COMMITTEE**

#### **Terms of Reference**

**Africure Pharmaceutical Ltd**, holder of a Category 1 Global Business licensed by the Financial Services Commission, is a company (the "**Company**") engaged in the trading of pharmaceutical products focused in the Sub Saharan Africa region. The Company holds a majority shareholding in pharmaceutical manufacturing facilities in Cameroon, India, Botswana, Tanzania and Ivory Coast. The Company also markets its products in other countries which are a part of Sub-Saharan Africa.

The purpose of the Corporate Governance Committee (the "**Committee**") is to assist the Board of Directors of the Company (the "**Board**") in focusing on reviewing and improving the effectiveness of governance practices of the Company and reporting its findings and recommendations to the Board.

## **1. Membership**

1.1 As of date, the Board consists of Nine (9) directors, two of whom are executive directors – the CEO and the CFO.

The Committee shall comprise of not less than three (3) members, consisting of non- executive and independent directors, and the majority should be independent directors, of which one (1) being a Women Director.

1.2 Only members of the Committee have the right to attend committee meetings. Other individuals such as the CEO and external advisers may be invited to attend that part of any meeting, where their input is called for.

1.3 Appointments to the Committee are made by the board and shall be for a period of up to three years extendable by no more than two additional three-year periods, provided the director still meets the criteria for membership of the Committee.

1.4 The Board shall appoint the Committee chairperson, who shall be non-executive and independent director. In the absence of the Committee chairperson, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairperson of the Board shall not be chairperson of the Committee.

## **2. Secretary**

2.1 The company secretary shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **3. Quorum**

3.1 The quorum necessary for the transaction of business shall be two (2).

## **4. Meetings**

4.1 The Committee shall meet at least once a year and otherwise as required.

## **5. Notice of meetings**

- 5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairperson.
- 5.2 Unless otherwise agreed, the notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee any other person required to attend, not less than five working days prior to the date of the meeting.
- 5.3 The Committee shall normally invite the chairperson of the Board and the CEO to attend meetings to discuss the performance of other executive directors and to make proposals, as necessary.

## **6. Minutes of meetings**

- 6.1 The secretary shall minute the proceedings and resolutions of all the Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of the Committee meetings shall be circulated at least seven working days after the meeting to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee chairperson it would be inappropriate to do so.

## **7. Annual meeting**

- 7.1 The Committee chairperson should attend the annual meeting to answer any shareholder questions on the Committee's activities and be prepared to answer questions concerning the appointment and remuneration of executive and non-executive directors and maintain contact as required with the organization's principal shareholders and stakeholders about the appointment of executive and non-executive directors.

## **8. Duties of the Committee**

### **8.1 Duties specific to Corporate Governance**

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:

- 8.1.1 Regularly review the size of the Board and recommend to the Board a size that facilitates effective decision making. In addition, taking into consideration the recommended size of the Board, the Corporate Governance Committee will recommend the number of Board positions to be filled by independent directors, bearing in mind the Board's belief that, except during periods of temporary vacancies, independent directors should comprise at least a majority of the members of the Board.
- 8.1.2 Establish a process to consider and assess the preferred experience and qualifications for directors to be nominated or appointed which will reflect, among other things:
- competencies, skills and personal qualities of existing directors as well as those that should be sought in, and possessed by, new candidates for Board membership;

- experience, areas of expertise and other factors, such as the diversity of their background, relative to the overall composition of the Board; and
- responsibilities or commitments that would materially interfere with or be incompatible with Board membership, including whether an individual can devote sufficient time to his or her duties as a Board member.

8.1.3 Will maintain a succession plan for the Board that is responsive to the company's needs and the interests of its shareholders.

8.1.4 Recommend the Board a list of candidates to be nominated for election to the Board at the Company's annual meeting of shareholders (or, if applicable, a special meeting of shareholders). In addition, as the need arises, it will identify and recommend to the Board new candidates for Board membership. In making its recommendations to the Board, the Corporate Governance Committee will provide an assessment of whether each candidate (i) would be an independent Director, (ii) is Financially Literate, and (iii) possesses accounting or related financial management expertise, including whether the candidate would be an Audit and Risk Committee Financial Expert.

8.1.5 The Corporate Governance Committee will recommend to the Board those directors it considers qualified for appointment to each Board committee. Where a vacancy occurs at any time in the membership of any Board committee, the Corporate Governance Committee will recommend to the Board a director to fill such vacancy.

8.1.6 The Corporate Governance Committee will annually review the effectiveness of the Board in fulfilling its responsibilities.

8.1.7 The Corporate Governance Committee will review the company's overall approach to corporate governance and make recommendations to the Board in this regard. Among other things, the Corporate Governance Committee will:

- Review the Corporate Governance charter adopted by the Board and recommend any amendment to the Board;
- Develop charters for any new committees established by the Board and review the charters of each existing committee and recommend any amendments to the Board;
- Review the position descriptions for the Chairman, any Deputy Chairman and Board committee chairs and recommend any amendments to the Board;
- Review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- Monitor relationships between senior management and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with senior management;
- Be available as forum for addressing the concerns of individual directors;
- Work with the Chairman, any Deputy Chairman, any Lead Independent Director, the Company Secretary, the Chief Executive Officer and other members of senior management to foster a healthy corporate governance culture within company; and

- Monitor developments in the area of corporate governance and recommend initiatives that will help company maintain the highest standards of corporate governance. Keep under review the leadership needs of the organization, both executive and non- executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace

8.1.8 Will confirm that procedures are in place and resources are made available to:

- Provide new directors with a comprehensive orientation with respect to their responsibilities and duties as directors and the business of company; and
- Provide all directors with appropriate continuing education opportunities so that individual may maintain or enhance their skills and abilities as directors.

8.1.9 Will periodically review the Corporation's corporate social responsibility policies and practices.

8.1.10 The Corporate Governance Committee will:

- Periodically review and evaluate the effectiveness of the company's Code of Conduct and Ethics (the "Code");
- Ensure that an adequate process is in place for senior management to monitor compliance with the Code;
- Consider for approval any waivers of the Code sought by directors or executive officers;
- Confirm that any waivers of the Code for directors or executive officers are promptly disclosed if required by applicable law or stock exchange rules and requirements.

8.1.11 The Corporate Governance Committee will:

- Regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- Oversee the preparation of and review the disclosure with respect to company's corporate governance policies and practices included in materials set to the shareholders.

8.1.12 Will review the Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate in light of company's needs and legal and regulatory developments.

8.1.13 At least the Board acting through the Corporate Governance Committee, will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the Corporate Governance Guidelines adopted by the Board.

## **9. Meetings**

Quorum for meetings of the Corporate Governance Committee will be a majority of its members. A meeting of the Corporate Governance Committee may be called by the Chair or any other member of the Committee, the Chairman, a Deputy Chairman, the Chief Executive Officer or the Company Secretary. The Company Secretary or his/her designate will act as Secretary to the Corporate Governance Committee unless the Chair of the Corporate Governance Committee decides otherwise.

## **10. Remuneration**

- 10.1 Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board. Such special remuneration shall be in addition to the annual fees payable to directors.
- 10.2 The chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board.

## **11. Other matters**

The Committee shall:

- 11.1 Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- 11.2 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 11.3 Be provided with appropriate and timely training, both in the form of an induction program for new members and on an on-going basis for all members.
- 11.4 Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors.
- 11.5 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

## **12. Authority**

- 12.1 The committee is authorized by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.