

**Corporate Governance &  
Sustainability Committee Charter**

## Contents

1. Objectives .....	3
2. Composition .....	3
3. Meetings.....	3
4. Roles and Responsibilities .....	4
5. Relationship with Shareholders and Other Stakeholders .....	7
6. Other Provisions .....	8

## 1. Objectives

The Corporate Governance and Sustainability Committee (“Committee” or “CGSC”) previously known as the Remuneration, Corporate Governance, Ethics and Sustainability Committee (“RCGESC”), of the MCB Group Limited (“MCBG”) has been set up to assist the Board of MCBG (“Board”) in the discharge of its duties relating to all remuneration aspects, corporate governance matters and nomination of directors and of senior executives of the MCBG. The Committee shall also review the Code of Ethics of MCBG and its subsidiaries (collectively the “Group”) and monitor the implementation of the Corporate Sustainability Programme across the Group.

This Charter is posted on the organisation’s website.

## 2. Composition

- 2.1 The Committee shall consist of at least four members, the majority of whom shall be independent non-executive directors.
- 2.2 The Chief Executive Officer may be a member of the Committee.
- 2.3 The Chairperson and the members of the Committee shall be appointed by the Board. The Chairperson shall be an independent non-executive Director and shall normally be the Chairperson of the Board.
- 2.4 The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.

## 3. Meetings

- 3.1 Meetings of the Committee shall be held as the Committee deems appropriate. However, the Committee shall meet at least four times annually. The Chairperson or any member of the Committee may call a meeting at any other time.
- 3.2 The Company Secretary shall act as the Committee Secretary.
- 3.3 The quorum necessary for the transaction of business shall be 3 members.
- 3.4 The Chairperson of the Committee may in case of absence designate an alternate. In case of absence of the Chairperson and where no alternate has been designated, an independent non-executive member of the Committee shall chair the meeting.
- 3.5 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. The

secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

3.6 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, may also, if the Chairperson of the Committee so decides be circulated to other members of the Board, unless a conflict of interest exists.

3.7 All decisions shall be taken on a majority of votes. In case a majority cannot be obtained, the Chairperson will have a casting vote.

## 4. Roles and Responsibilities

### 4.1 Appointment

4.1.1. Establishes formal, clear and transparent selection criteria for prospective directors and evaluation of current directors' performance in case of reappointment.

4.1.2. Identifies and recommends suitable candidates for the Board and other Committees of the Company and its subsidiaries and ascertains whether the potential new Directors and senior officers are fit and proper and are not disqualified from being directors.

4.1.3. Ensures that an induction programme is provided to the new directors of MCBG and its subsidiaries so that Board members understand their roles, duties and responsibilities and what is expected from them in particular.

### 4.2 Board Effectiveness

4.2.1. Assesses the effectiveness of the Board and directs the process of renewing and replacing Board members.

4.2.2. Regularly reviews the Board structure, size and composition so as to achieve an appropriate balance of skills and expertise taking into account the Board recommendations regarding a majority of independent non-executive directors, and having in mind the necessary skills mix of existing and new members.

4.2.3. Ensures that a Board effectiveness survey be carried out on a regular basis with the support of an independent external facilitator.

### 4.3 Remuneration

4.3.1. The Committee shall set and develop the Group's general policy concerning the remuneration of directors and shall conduct reviews of their performance, remuneration and attendance at meetings.

- 4.3.2 Determines any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities.
- 4.3.3 Ascertain that the annual remuneration package of Senior Executives of the Group is regularly benchmarked against comparative data pertaining to the Mauritian and regional markets, as appropriate.
- 4.3.4 Makes recommendations to the Board regarding remuneration policy for Senior Executives of the Group. This will entail the use of (a) balanced scorecards to determine the annual bonuses to be granted and (b) the Long Term Incentive Scheme modalities.
- 4.3.5 Regularly reviews the directors' performance and remuneration, including those of the Board Committee Members, taking into account the responsibilities and the workload.
- 4.3.6 Reviews executive's proposals for non-executive and independent directors' fees, which will be benchmarked with market practices in the Mauritian and regional markets. Whilst no member of the Committee can vote on the non-executive and/or independent directors' fees, the recommendations will be submitted to the Board for approval and thereafter, recommended to the shareholders at the Meeting of Shareholders.
- 4.3.7 The Committee shall co-ordinate its activities with the Chairperson of the Board and/or the Chief Executive Officer as well as consult them in formulating the Group's remuneration policy and when determining specific remuneration packages.
- 4.3.8 When setting remuneration policy for directors, review and have regard to pay and employment conditions across the group especially when determining annual salary increases.
- 4.3.9 Review, on an ongoing basis, the appropriateness and relevance of the remuneration policy.

#### **4.4 Succession Planning**

- 4.4.1 Sets a formal succession plan for both executive and non-executive directors and reviews the succession plan at least once a year.
- 4.4.2 Review (a) the annual succession planning exercise within the Group, as regards Senior Executives, as well as all key Management positions and (b) on an annual basis, the duly updated list of High Potential Managers within the Group.

#### 4.5 Corporate Governance

- 4.5.1 The Committee will have due regard for the principles of governance and codes of best practice.
- 4.5.2 Determines and develops the Group's general policy on corporate governance in accordance with the applicable Code of Corporate Governance.
- 4.5.3 Ensures that no material conflict of interest exists/arises in conducting business.
- 4.5.4 The Committee shall be responsible for the preparation of the corporate governance report to be published in the Company's annual report.
- 4.5.5 Ensures that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance ("Code").
- 4.5.6 In case of non-compliance with any requirement of the Code, the Committee shall make sure that appropriate explanations are given in the Statement of Compliance.

#### 4.6 Code of Ethics & Whistleblowing

The Committee shall update from time to time, and as necessary, the MCB Group Ltd's Code of Ethics and shall oversee that compliance to this Code is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the Group Business Units at large, and that its core principles are embedded in the Group Corporate Culture.

4.6.1. The responsibility of the Committee will include:

- Reviewing any statements on ethical standards and assisting in developing such standards.
- Being put in the loop by Compliance of any violations of ethical conduct and of disciplinary action taken.
- Being promptly notified by Compliance of any whistleblowing report, and of the outcome of the investigations initiated in this respect.
- Ensuring full compliance of the different subsidiaries of MCBG with the requirements of their respective constitutions and with the laws and regulations of any applicable statute and controlling bodies.

#### 4.7 Corporate Sustainability Initiatives

In view of the Group's ambitious Corporate Sustainability Programme, a Sub Committee of the CGSC has been put in place to promote the implementation of the "Success Beyond Numbers" philosophy across the organisation.

4.7.1. The responsibility of the CGSC will include:

- Reviewing the composition of the Sub Committee and its Terms of Reference as and when required.
- Assisting the Sub Committee in relation with the Group's sustainability policies and practices (including Environmental and Social, Business Ethics, Occupational, Health & Safety, Human Rights and Labour laws).
- Assisting the Sub Committee in the implementation of strategies to create an empowering and enabling environment that embraces diversity and inclusivity.
- Review the major Corporate Sustainability Projects to be launched, taking into account the investment, business, operational, strategic and potential reputational risks that may affect the Group and recommend their approval to the Board.
- Oversee on an ongoing basis, the overall effectiveness of the Corporate Sustainability Programme, review the proposed major directional adjustments thereof and propose them to the Board for approval.
- Report on the sustainability performance of the Group and make recommendations to the Board.

## 5. Relationship with Shareholders and Other Stakeholders

### 5.1 Shareholders

The Committee shall ensure that Shareholders are informed of material events affecting the Company which could have an impact on the share price of the Company. Shareholders should be encouraged to attend all Meetings of Shareholders and the Committee Members should also be present at the meetings of shareholders and more particularly must be present at the Annual meeting of shareholders.

Any special business item should be included in the notice of meeting of shareholders and should be accompanied by a full explanation of the justification and of the effects of the proposed resolution.

The Committee should ensure that a brief presentation of each director standing for election or re-election be made to the shareholders at the Meetings of Shareholders. There should be a clearly defined and transparent procedure for shareholders to recommend potential candidates as directors of the Company.

## **5.2 Other Stakeholders**

The Committee shall ensure that the Company's policies and values are communicated to all stakeholders in order to build a mutually beneficial relationship. Safety, health and environment policies shall be implemented in accordance with existing legislative framework and shall aim at implementing best practices in line with the Company's corporate values and long-term objectives.

The Committee must ensure that a suitable correct balance is maintained between the interests of stakeholders and that of the Company.

# **6 Other Provisions**

## **6.1 Professional advice**

The Board has an agreed procedure whereby members of the Committee are able to seek independent professional advice, should the need arise. The professional services procured will be at the Company's expense and prior approval of the Chairperson is required.

## **6.2 Access to information**

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.

## **6.3 Reporting**

The Chairperson of the CGSC shall report to the Board in a timely manner on the main issues that could have an impact on the affairs or reputation of the Group.