



SME MAURITIUS LTD

CORPORATE GOVERNANCE COMMITTEE CHARTER

1. Purpose

- 1.1 The primary function of the Corporate Governance Committee (hereinafter referred to as 'the Committee') is to advise the Board of Directors of SME Mauritius Ltd (hereinafter referred to as the 'Company') on all aspects of corporate governance, nomination and remuneration of Directors as well as to recommend best practices for the Company. The Committee shall ensure that the disclosure requirements with regards to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the applicable Code of Corporate Governance.

2. Membership

- 2.1 The Committee shall comprise of at least three (3) members and the majority should be non-executive and where possible independent directors.
- 2.2 Only members of the Committee have the right to attend the Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.
- 2.3 The Board shall appoint the Committee Chairperson who should be an independent non-executive director. In the absence of the Committee chairperson, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position.

3. Secretary

- 3.1 The Company Secretary shall act as the secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be any two (2) members (composed of at least one independent non-executive director).

5. Frequency of meetings

- 5.1 Meetings of the Committee shall be held as the Committee deems appropriate. However, the Committee shall meet at least 2 times a year.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairperson of the Committee or any member of the Committee.
- 6.2 Notice of each meeting of the Committee confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers shall, other than under exceptional circumstances, be forwarded to each member of the Committee and any other person required to attend the meeting, prior to the date of the meeting.

7. Minutes of meetings

- 7.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall record the attendance, minute the proceedings and resolutions of all Committee meetings.
- 7.2 The Committee's minutes shall be circulated to members of the Committee and to the Chairperson of the Board and may also, if the Chairperson of the Committee so decides, be circulated to other members of the Board. Once approved and duly signed, minutes should be circulated to all other members of the Board unless it is deemed inappropriate in the opinion of the Committee Chairperson.

8. Written Resolution

- 8.1 Decisions may also be taken by way of written resolutions signed by all members of the Committee or approved by them through electronic means such as facsimile or electronic mail.

9. Terms of Reference

The Committee should carry out the following duties and responsibilities:-

9.1. Corporate Governance

- 9.1.1 Advise the Board on all aspects of corporate governance and to recommend the adoption of best practices as appropriate for the company;
- 9.1.2 Determine, agree and develop the company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- 9.1.3 Prepare the corporate governance report to be published in the company's annual report, ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance and liaise with the Board in relation to the preparation of the committee's report to shareholders, as required;

- 9.1.4 Report any breach of the Code to the Board of the Company for action to be taken; and
- 9.1.5 Review the terms and conditions of the Board, Sub-Committees, Chairman, Chief Executive Officer/Managing Director and clearly demarcate the lines of responsibilities.

9.2. Nomination

- 9.2.1 Being a state-owned enterprise, the Board of Directors is constituted by the Shareholder, which is the Government of Mauritius.
- 9.2.2 On appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 9.2.3 Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment and/or receive an induction pack.
- 9.2.4 Review the results of the board performance evaluation process that relates to the composition of the board.
- 9.2.5 Work and liaise as necessary with all other Sub-Committees of the Board.

9.3. Remuneration

- 9.3.1 Members of the Committee shall be paid such special remuneration in respect of their appointment as shall be recommended by the Board and ratified or approved by Shareholders. Such special remuneration shall be in addition to the monthly remuneration payable to Directors.
- 9.3.2 The level and structure of remuneration for Directors shall be determined at the Shareholders' Meeting.

10. Reporting responsibilities

- 10.1 The Committee Chairperson shall report to the Board on its proceedings.
- 10.2 The Committee shall make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11. Other matters

The Committee shall:

- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Management for assistance as required.

- 11.2 Give due consideration to laws and regulations, the principles of the Code of Corporate Governance and any other applicable rules.
- 11.3 Arrange for periodic reviews of its performance and as and when required, review its charter 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 authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

13. Limitations of Power

- 13.1. The Corporate Governance Committee has no power or authority to act on behalf of the full Board.

Last Reviewed: 18 July 2024.

A handwritten signature in blue ink, appearing to be 'D. K.', is written over a dotted line.

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COMPANY SECRETARY