



BOARD CHARTER

1. INTRODUCTION

- 1.1 The Board Charter (the “Charter”) sets out the objectives, roles, responsibilities and composition of the Board of Directors of Harel Mallac & Co. Ltd (the “Company”).
- 1.2 The Charter should be read in conjunction with the Company’s constitution (the ‘**Constitution**’). In the event of any conflict between this Charter and the Constitution, the Constitution shall prevail to the extent that it complies with the non-derogatory, mandatory provisions of the applicable laws and regulations. The Charter will be complementary to the relevant guidelines contained in the Mauritian legislation and regulations.

2. OBJECTIVE

- 2.1 The **objective of the Board is to define the Company’s purpose, strategy**, commitments, and guiding principles. The Board will determine all matters relating to policies, practices, management and operations of the Company and all its subsidiaries. The Board should thereafter ensure that the Company and its subsidiaries are being managed in accordance with the directions and delegations of the Board.
- 2.2 The Board is to exercise leadership, entrepreneurship, integrity and sound judgement in directing the Company.
- 2.3 The Board shall ensure that sound governance practices are in place and the Group is managed ethically and responsibly.

3. COMPOSITION

- 3.1 The Board is a unitary Board and shall comprise of executive and non-executive directors.
- 3.2 The Board shall consist of not less than six or not more than ten directors, in accordance with the Constitution.
- 3.3 Board members should be qualified for their positions, shall have a clear understanding of their roles and responsibilities and be able to exercise sound judgement about the affairs of the Company.
- 3.4 Board Composition is reviewed yearly to ensure that the non-executive directors, between them, bring the range of skills, knowledge and experience necessary to direct the Company going forward.
- 3.5 As far as possible, the Board shall comprise of Directors from both genders.
- 3.6 The Executive Director shall be a member of the Board but not its Chairman.
- 3.7 The Chairman shall not be an executive director.

4. APPOINTMENT AND REMOVAL OF DIRECTORS

Appointment and removal of directors are governed by the Company’s constitution.

5. MEETINGS

- 5.1 The Board shall determine the frequency of the Board meetings, which shall be at least twice a year.
- 5.2 The quorum for Board meetings shall be as set in the Constitution.

6. ROLE AND RESPONSIBILITIES

- 6.1 The Board directs the Company and acts in the best interests of the Company, having taken into consideration the interests of its shareholders and other stakeholders.
- 6.2 The Board **oversees the development and implementation of the Company's corporate strategy.**
- 6.3 The Board reviews and approves the budget annually.
- 6.4 The Board reviews performance objectives.
- 6.5 The Board oversees financial management and capital management. As such it reviews and approves quarterly and annual financial reports, monitors financial results and approves major capital expenditure, major acquisitions, divestitures and material commitments.
- 6.6 The Board ensures that clear lines of responsibility and accountability exist and are enforced throughout the Group.
- 6.7 The Board provides for succession plans for key individuals.
- 6.8 The Board **ensures effective communication with the Company's stakeholders.**
- 6.9 The Board **promotes the Company's Code of Ethics.**
- 6.10 The Board, with the guidance of the legal function and/or its legal advisors, ensures that the Company complies with all the relevant laws and regulations.

7. ROLE AND DELEGATION TO MANAGEMENT

- 7.1 The Board shall entrust the Executive Director/Chief Executive Officer for the development of strategic objectives for the business and achievement of the planned results.
- 7.2 The Executive Director/Chief Executive Officer and Management are responsible for the day to day operations of the Company.

8. ROLE AND FUNCTIONS OF THE CHAIRMAN

8.1 Appointment of the Chairman

The Chairman is appointed by the members of the Board, as per the provisions of the Constitution.

8.2 Duties

The Chairman should be a firm leader. Apart from being conversant with the key networks of the organization and having sound knowledge of the activities of the organization, the Chairman is expected to be impartial and objective, so as to support the right decisions concerning the organization. The Chairman should be a Non-Executive Director.

8.3 Responsibilities

Among the main responsibilities of a Chairman are the following:

- ❑ To provide overall leadership to the Board.
- ❑ To chair and conduct all Board meetings in an effective manner, in consultation with the Executive Director and the Company Secretary.
- ❑ To ensure that proceedings of each meeting are accurately reflected in the minutes.
- ❑ To ensure that sufficient information is being provided to each Board member to allow him/her to fulfill his/her duties as a director.
- ❑ To make sure that all newly appointed Board member participates in an induction program and, as needed, in supplementary programs.
- ❑ To ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

9. ROLE OF NON-EXECUTIVE AND EXECUTIVE DIRECTORS

- 9.1 Non-Executive Directors are not involved in the day to day management; they play a full role in constructively challenging and developing strategic proposals, as well as chairing and/or being members of Board meetings.
- 9.2 Non-Executive directors shall provide independent judgement in all circumstances.
- 9.3 Non-Executive directors shall inform themselves to a reasonable extent about the subject matter of all decisions they are called upon to make as directors of the Company.
- 9.4 Executive Directors must always manage the conflict between their management responsibilities and their fiduciary duties as a director to act in the best interests of the Company.
- 9.5 Executive Directors have the additional responsibility of ensuring that the information laid out before the Board is an accurate and true representation of their understanding of the Company's affairs.
- 9.6 Executive Directors must ensure that the decisions taken by the Board are executed.

10.ROLE OF THE COMPANY SECRETARY

The role of the Company Secretary shall be:

- 10.1 To provide advice and guidance to Board Members on matters relating to the statutory and regulatory obligations of Directors.
- 10.2 To assist the Chairman of the Board in organizing the Board's activities including, agendas, minutes, providing information, communication with regulatory bodies and all statutory filings.
- 10.3 To ensure that the organization complies with its Constitution, all relevant statutory and regulatory requirements, codes of ethics and procedures established by the Board.
- 10.4 To ensure that procedures for the appointment of directors are properly undertaken.
- 10.5 To act as a channel of communication and information for non-executive directors,

and between the Board and the Shareholders.

- 10.6 To ensure that there is a quorum for meetings.
- 10.7 To ensure that minutes of proceedings of Board meetings, any other meetings, written resolutions are accurate and properly maintained in accordance with the requirements of the Companies Act.

11. OTHER PROVISIONS

11.1 Expert/ Professional Advice

The Board may hire experts/ professionals for assistance and professional advice. The cost shall be agreed by the Board and shall be paid by the Company.

11.2 Conflict of Interests

Board members are expected to avoid any action, position of interest that conflicts with the interest of the Company or may give the appearance of a conflict.

A director should make the best effort to avoid conflicts of interest in situations where others may reasonably perceive there to be a conflict of interest.

The personal interests of a director, or persons closely associated with the director must not take precedence over those of the Company.

12. REVIEW OF BOARD CHARTER

The Board Charter shall be reviewed annually or as required by the Board.

This Board Charter is effective and was approved by the Board on 25 March 2019.