

MAINLAND

**Mainland Real Estate Ltd
Draft Board Charter - Terms of Reference
June 2017**

1 INTRODUCTION

The Board of directors of Mainland Real Estate Ltd (“the Company”) acknowledges the need for a Board charter. This Board charter is subject to the provisions of the Company’s Constitution and any other applicable laws and regulatory provisions.

2 PURPOSE OF THE BOARD CHARTER

The purpose of this charter is to set out the Board of Directors (“the Board”) roles and responsibilities as well as the requirements for its composition and meeting procedures, and to provide for matters ancillary thereto.

3 COMPOSITION OF THE BOARD

- 3.1 Board members are the link between the shareholders and the Company and are collectively responsible to lead and control the Company to enable it to attain its strategic objectives.
- 3.2 The Board must comprise a balance of executive and non-executive directors consisting of at least 4 members, as determined in consultation with the Corporate Governance Committee. The Board should include at least two independent non-executive directors and at least two executive directors, as defined in the Mauritius Code of Corporate Governance.
- 3.3 All members of the Board should be individuals of integrity, and collectively, should bring a blend of knowledge, skills, objectivity and experience to the Board to enable it to carry out its functions effectively.
- 3.4 Directors will be recommended to the Board by the Corporate Governance Committee for appointment by the Board or by the Company in its general meeting.
- 3.5 The Chief Executive Officer and the Chief Financial Officer are *ex officio* members of the Board.
- 3.6 Continuing professional development programmes are to be implemented to ensure that directors receive regular briefings on changes in risks, laws and the environment.

4 CHAIRPERSON

The members of the Board shall elect an independent non-executive Chairperson, who must possess demonstrated expertise and experience to provide firm and objective leadership. The Chairperson should not be involved in the day-to-day running of the business and should not be a full-time employee of the Company.

The Chairperson shall be appointed for a pre-approved term, in accordance with the Company’s Constitution and the Code.

The title, function and role of the Chairperson should be separate from that of the Chief Executive Officer.

5 EXECUTIVE DIRECTORS

The Board shall appoint at least 2 executive directors, to whom some functions will be delegated. The executive directors will have the responsibility for managing the day-to-day business and operations of the Company. The Board will appoint the Chief Executive Officer (CEO). Additional executive directors will be nominated by the CEO for appointment to the Board. All executive directors shall thereafter be appointed in the manner as provided in the Company's Constitution.

6 RESPONSIBILITIES OF THE BOARD

As a point of departure, the Board should provide effective leadership based on an ethical foundation and direct the strategy and operations of the Company to build a sustainable business taking into account economic, human, man-made, environmental and social capital requirements.

In this regard, the Board must:

- 6.1 Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.
- 6.2 Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - Contributing to and approving the strategy;
 - Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
 - Identifying key performance and risk areas;
 - Ensuring that the strategy will result in sustainable outcomes.
 - Considering sustainability as a business opportunity that guides strategy formulation.
- 6.3 Debate and adopt strategic plans for the Company and provide the CEO and executive directors with strategic direction;
- 6.4 Monitor and evaluate the implementation of the strategic plans by management;
- 6.5 Exercise leadership, enterprise, integrity and judgement in directing the Company;
- 6.6 Provide effective leadership and support for the executive directors in their respective roles, without interfering with the operational management of the Company;
- 6.7 Ensure that the company adopts an appropriate succession plan for its senior executive positions;
- 6.8 Ensure that the Company has an effective and independent Audit Committee;
- 6.9 Ensure that there is an effective risk-based internal audit, should the Board deem that necessary;
- 6.10 Ensure that the Company has an effective system for identifying and managing relevant risks;
- 6.11 Be responsible for information technology (IT) governance;
- 6.12 Ensure the integrity of financial information and related information;
- 6.13 Ensure that the Company communicates with shareholders openly and promptly ensuring equal treatment of shareholders at all times;
- 6.14 Ensure that the Company complies with all laws and regulations, risk management and corporate governance practices, disclosure requirements, and takes into consideration adherence to non-binding rules and standards;
- 6.15 Appreciate that stakeholder's perceptions affect the Company's reputation;

- 6.16 Act in the best interests of the Company by ensuring that individual directors:
 - adhere to legal standards of conduct.
 - are permitted to take independent advice in connection with their duties following an agreed procedure.
 - disclose real or perceived conflicts to the Board and deal with them accordingly.
 - deal in securities only in accordance with the policy adopted by the Board
- 6.17 Elect a Chairperson of the Board that is an independent non-executive director;
- 6.18 Appoint and evaluate the performance of the Chief Executive Officer, the Chief Investment and Operations Officer and the Chief Financial Officer;
- 6.19 Ensure that its membership is appropriate in order for the Board to carry out its duties effectively;
- 6.20 Ensure that the Company has an appropriate remuneration strategy in place.
- 6.21 Assume ultimate responsibility for the governance of risk in the Company;

In order to meet all the legal and regulatory requirements and effectively discharge its duties, including the exercise of adequate oversight over the activities of subsidiaries and other entities of the Company, the Board may delegate some of its functions to specialised Board Committees. From time to time, the Board may delegate specific assignments to directors or other parties to better guide the Board in important matters requiring significant expertise.

Delegation however does not discharge the Board from its duties and responsibilities and while delegating authorities, the Board should bear in mind its fiduciary duties and responsibilities under the Mauritian Companies Act 2001.

7 DELEGATION

- 7.1 The Board delegates certain functions to well-structured sub-Committees (“Committees”) but without abdicating its own responsibilities. Delegation is formal and involves the following:
 - Formal terms of reference are established and approved for each Committee of the Board.
 - The Committees’ terms of reference are reviewed once a year or as required.
 - The Committees are appropriately constituted with due regard to the skills required by each Committee and in accordance with the Mauritian Code of Corporate Governance.
- 7.2 The Board establishes a framework for the delegation of authority to management.
- 7.3 The Board shall have the following Committees to which it can delegate some of its duties:
 - Corporate Governance Committee
 - Investment Committee
 - Audit and Risk Committee
- 7.4 Each Committee shall establish Terms of Reference, which shall indicate the role and responsibilities of the Committee. The composition of the Committees will be reviewed at least once a year by the Corporate Governance Committee to ensure the balance of specialist skills, independence and experience, in accordance with the Company’s guidelines.
- 7.5 The Corporate Governance Committee shall assess the collective effectiveness of the Committees and the Board.
- 7.6 The Committees shall submit to the Board the minutes of proceedings of their meetings.

8 BOARD MEETINGS AND PROCEDURES

8.1 Frequency

The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this charter, but subject to a minimum of four meetings per financial year.

Meetings in addition to those scheduled may be held at the request of a Board member.

The Chairperson of the Board may meet with the Chief Executive Officer and the Chief Finance Officer and/or the Company Secretary prior to a Board meeting to discuss important issues and agree on the agenda.

8.2 Attendance

The meeting will be presided by the Chairperson or in his absence, by a director designated by the other members of the Board present at the meeting.

Board members must attend all scheduled meetings of the Board, including meetings called on an *ad hoc-basis* for special matters, unless prior apology, with reasons, has been submitted to the Chairperson or Company Secretary. The Chairperson of the meeting shall consult with the absent members by telephone or other means whenever possible.

The Company Secretary is the Secretary to the Board and Committees.

Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously.

Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote.

8.3 Agenda and Minutes

The Board must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in this charter: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Board and other invitees. The Company Secretary shall be responsible for ensuring that Board packs are distributed to all members timeously and for taking minutes of the meeting.

Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

Resolutions should be preferably passed by unanimous vote.

Draft minutes shall be circulated to the Chairperson and members of the Board within fourteen days of the last Board meeting, or a longer time period as agreed to by the Board, for review thereof.

The minutes must be formally approved by the Board at its next scheduled meeting. At least once a year, the non-executive directors shall meet separately to discuss the functioning of the Board and the executive directors, collectively as executive management and in their individual capacity, and address any issues that arise thereof, if any.

8.4 Quorum

A representative quorum for meetings shall be three directors.

Individuals in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings.

9 CONFLICT OF INTEREST

Directors must avoid instances that may give rise to conflicts of interests or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest must be made known to the Board and fellow directors and the onus will be on the directors to advise the Board on any change in their situation.

On declaration of his interest, the concerned director shall not participate in the discussions and/or decision making process on the transaction in relation to which conflict arises. The transaction may however be concluded and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with disclosure requirements and accounting policies and standards.

10 EVALUATION OF THE BOARD

The performance of the Board, its Committees and each individual director, including the Chairperson, must be evaluated annually at the last Board meeting held in the applicable financial year.

11 RESOLUTIONS IN LIEU OF MEETING

A resolution in writing, signed by the committee members, shall be valid as if it has been passed at a meeting of the Investment Committee, where the resolution is signed by all the committee members.

12 CHARTER APPROVAL

This charter was approved by the Board and will be reviewed from time to time.



Chairperson of the Board
Mainland Real Estate Ltd

20.06.17
Date