

alteo

Board Charter



ALTEO LIMITED

BOARD CHARTER

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1. INTRODUCTION & OBJECTIVES

This Board Charter of Alteo Limited (the “Company”) sets out the main objectives, roles and responsibilities, and practices of the Board of Directors of the Company (the “Board”). This Charter shall be complementary to the requirements regarding the Board and the Directors contained in Mauritian legislations, regulations, and the Company’s Constitution.

This Charter shall also apply, as far as possible, to the Board of Directors of Alteo Limited’s subsidiary companies, subject to their constitutions.

This Charter shall be available on the Company’s website.

2. COMPOSITION OF THE BOARD

- 2.1 The Company shall maintain a Board which shall consist of a minimum of seven (7) directors and a maximum of fifteen (15) directors.
- 2.2 The Company shall aim to have an appropriate balance of:
 - (a) Executive Directors with their in-depth knowledge of the business,
 - (b) Non-Executive Directors who can bring a wider view to the Company’s affairs, and
 - (c) Independent Non- Executive Directors who can bring additional experience as well as independence in terms of thought of deliberations.
- 2.3 In any case, the Board shall consist of at least two (2) Executive Directors and include at least two (2) Independent Directors.
- 2.4 The Board shall aim to comprise of Directors from both genders as members of the Board.
- 2.5 The Board shall use its best efforts to ensure that its Directors:
 - (a) shall be qualified for their positions, have a clear understanding of their role and be able to exercise sound judgment about the affairs of the Company,
 - (b) can act independently of one another; and
 - (c) shall be individuals of integrity who bring a blend of knowledge, skills, objectivity, experience and commitment to the Board.
- 2.6 At least one Director should be a financial expert, meaning he/she has expertise in financial administration and accounting for companies similar to the Company in size and sophistication.

3. APPOINTMENT OF DIRECTORS

- 3.1 The nomination process of Directors has been delegated to the Corporate Governance, Nomination, Remuneration and Ethics Committee (the “Corporate Governance Committee”) which recommends to the Board the Directors to be appointed and /or re-elected.
- 3.2 Directors may be appointed by the Board or by way of ordinary resolution of shareholders of the Company or as per Article 19 of the Constitution of the Company.
- 3.3 The Corporate Governance Committee shall also be responsible for ensuring a review of the performance of the Board, Committees and individual Directors.

4. INDUCTION AND TRAINING

- 4.1 Upon his or her election, each Director shall participate in an induction programme which would cover the Company’s strategy, general financial and corporate affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Director.
- 4.2 The Directors are strongly encouraged to attend formal training which could help them to perform their duties towards the Company more effectively. The Board shall conduct an annual review to identify areas where the Directors require further information, or training.

5. CHAIRPERSON

5.1 Election

The Board shall elect a Chairperson from among its members.

5.2 Duties

The Chairperson of the Board is primarily responsible for the activities of the Board and its Committees. The Chairperson shall act as the spokesman for the Board and is the principal contact for the Chief Executive Officer (the “CEO”). The CEO and the Chairperson of the Board shall meet regularly but the offices of the Chairperson and the CEO shall be separate. The Chairperson of the Board shall preside over the general meeting of shareholders, subject to the Constitution of the Company.

5.3 Responsibilities

The Chairperson is responsible for:

- (a) leadership of the Board and ensuring its effectiveness on all aspects of its role;
- (b) setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) ensuring the Board meetings are chaired in an effective manner;
- (d) promoting a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors in particular and ensuring constructive relations between Executive and Non-Executive Directors;
- (e) ensuring that the Directors receive accurate, timely and clear information;
- (f) ensuring effective communication with shareholders; and
- (g) ensuring that the Directors continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board Committees.

6. CHIEF EXECUTIVE OFFICER

The CEO is responsible for the development and execution of the plans and strategy set by the Board, and provides leadership and direction to management. The CEO also acts as the main point of communication between the Board and the management and is responsible for, *inter alia*:

- (a) Setting the strategy and direction of the Company in conjunction with the Board;
- (b) Assisting the Board in enhancing market share, profitability and return on investment;
- (c) Recommending policies to the Board and implementing such policies as approved by the Board;
- (d) Providing support and assistance to the Board by, *inter alia*, ensuring that executive management reports are in an accurate, timely and clear manner;
- (e) Providing information and advice as required by the Board; and
- (f) Developing, implementing and monitoring the Company's risk management framework and annual budget.

7. COMPANY SECRETARY

7.1 The Company Secretary should be responsible for advising the Board through the Chairperson on all governance matters. All Directors should have access to the advice and services of the Company Secretary.

7.2 The responsibilities of the Company Secretary include:

- (a) advising the Board through the Chairperson on all governance matters;
- (b) ensuring that the Board complies with its obligations under the law and the constitution of the Company; and
- (c) ensuring good information flows within the Board and its Committees and between senior management and Non-Executive directors, as well as facilitating induction and assisting with professional development as required.

8. COMMITTEES

8.1 The Board of the Company may from time to time establish Committees in order to assist in fulfilling its duties. The Board of the Company shall have as a minimum:

- (a) an Audit and Risk Committee (the “Audit Committee”); and
- (b) a Corporate Governance, Nomination, Remuneration and Ethics Committee.

8.2 The Board remains collectively responsible for the decisions and actions taken by any of its Committees. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.

8.3 The Terms of Reference and the composition of the Committees shall be established and posted on the Company’s website.

8.4 Chairperson of the Audit Committee

- (a) The Chairperson of the Audit Committee shall report to the Board for its activities and make recommendations to the Board concerning the adoption of the annual and interim financial statements and any other matters arising from the duties of the Audit Committee.
- (b) The Chairperson (or, in his absence, any other designated member) of the Audit Committee shall attend the annual general meeting to answer questions concerning matters falling within the ambit of the Audit Committee.

8.5 Chairperson of the Corporate Governance, Nomination, Remuneration and Ethics Committee

- (a) The Chairperson of the Corporate Governance, Nomination, Remuneration and Ethics Committee shall report to the Board for its activities and make recommendations to the Board on any area within its remit where action or improvement is needed.
- (b) The Chairperson (or, in his absence, any other designated member) of the Corporate Governance, Nomination, Remuneration and Ethics Committee shall attend the annual general meeting to answer questions concerning matters falling within the ambit of the Audit Committee.

9. GENERAL DUTIES AND POWERS OF THE BOARD

- 9.1 The Board is ultimately responsible for the affairs of the Company and the delegation of authority to any Committee does not discharge the responsibility of the Board in respect of the actions and decisions of a Committee.
- 9.2 All Directors are expected to carry out their duties honestly, in good faith, in the best interests of the Company, with diligence and skill, as a reasonably prudent person would in comparable circumstances.
- 9.3 The Board shall appoint the CEO and set the terms of his/her employment.
- 9.4 The Board shall appoint the Company Secretary and set the terms of his/her employment or service.
- 9.5 The Board shall be responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the Company's internal controls; and risk management.
- 9.6 The Board shall manage potential conflicts of interest of Directors, management, the shareholders and wider stakeholders.
- 9.7 The Board shall ensure the Company's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the Company.
- 9.8 The Board reserves specific powers to itself. The Board shall develop clear definitions of the levels of appropriate materiality or sensitivity in order to determine the scope and delegation of its authority. All delegated authority shall be in writing and shall be evaluated on a regular basis.
- 9.9 The Board, through the Corporate Governance Committee, shall establish performance objectives to enable it to measure management's performance and the progress of the Company in attaining set goals, objectives and targets.
- 9.10 Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

10. DUTIES WITH REGARDS TO FINANCIAL REPORTING

- 10.1 The Board, assisted by the Audit Committee, shall be responsible for the preparation and publication of the annual report and accounts, the quarterly and semi-annual financial reports and any other financial information. The Board, through the Audit Committee, shall also supervise the internal control and audit mechanisms for external financial reporting.
- 10.2 The Board shall ensure that the external auditor attends the meeting of the Board at which the report of the external auditor with respect to the audit of the annual accounts will be considered, and at which the Board will decide whether or not to approve the annual accounts. The external auditor shall receive any financial information underlying the quarterly and semi-annual financial reports, and other interim financial reports, and shall be given the opportunity to respond to all information.
- 10.3 The Board's principal contact with the external auditor should be through the Chairperson of the Audit Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit Committee and the external auditor.

11. NOMINATION AND REMUNERATION OF EXTERNAL AUDITOR

- 11.1 The external auditor shall be appointed at the meeting of shareholders. The Board shall nominate a candidate for appointment as external auditor at the meeting of shareholders and may recommend replacement of the external auditor. The Audit Committee shall advise the Board on such matters.
- 11.2 In order to prevent the external auditor and the Company from becoming too close to Management, the number of years a person may be part of the audit team of the external auditor, is capped. Partners of the audit team of the Company who are charged with essential audit tasks must be replaced at most every four (4) year(s) after the start of their involvement and the audit firm must rotate every seven (7) years. The Audit and Risk Committee shall also supervise the risks of dependency of other members of the audit team of the Company who are involved with the audit for a significant period. The Audit and Risk Committee shall consult the responsible partner of the external auditor regularly on safeguards set up by the external auditor to assess the risk of dependency and to reduce it to an acceptable minimum level.

11.3 The remuneration of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board upon recommendation of the Audit Committee, to ensure the auditor's independence.

12. MEETING – FREQUENCY, QUORUM AND BOARD ATTENDANCE

12.1 Meetings and proceedings of the Board shall be governed by the Company's Constitution.

12.2 Board meetings are presided by the Chairperson of the Board. In his/her absence, one of the other Directors, designated by majority vote of the Directors present at the meeting, shall preside.

12.3 Meetings of the Board shall be held at such time and at such venue as the Board may deem appropriate. In addition, meetings of the Board may be held by audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting. A quorum for a Board meeting shall be as follows:

- (a) Five (5) Directors when the Board shall consist of seven (7) or eight (8) Directors;
- (b) Six (6) Directors when the Board shall consist of nine (9) or ten (10) Directors;
- (c) Seven (7) Directors when the Board shall consist of eleven (11) or twelve (12) Directors;
- (d) Eight (8) Directors when the Board shall consist of thirteen (13) or fourteen (14) Directors; and
- (e) Nine (9) Directors when the Board shall consist of fifteen (15) Directors.

12.4 The Board shall meet at least four times a year and, if required, additional meetings shall be convened. The quorum necessary for the transaction of the business of the Board shall be as per the Constitution of the Company.

12.5 Save in urgent cases, the agenda for a meeting shall, as far as practicable, be sent to all Directors at least seven days before the meeting. Each Director has the right to request that an item be placed on the agenda for a Board meeting.

12.6 The admission to a meeting of persons other than Directors, the CEO, the Company Secretary and (if invited) other Executives shall be decided by majority vote of the Directors present at the meeting.

- 12.7 A Director may be represented at Board meetings by another person holding a proxy in writing. The existence of such authorization must be proved satisfactorily to the Chairperson of the meeting. If a Director is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.
- 12.8 Minutes must be drawn up for every Board meeting and shall be approved by the Board, and signed by the Chairperson of the meeting and the Company Secretary. The minutes of meeting shall subsequently be added to the Company's records. Each Director shall receive a copy of the minutes. Board resolutions may also be adopted in writing provided the proposal concerned is submitted to all Board members and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board members, and confirmed by a signed written resolution.

13. SHAREHOLDING BY DIRECTORS

- 13.1 Directors shall observe the provisions of Alteo's "Charte de déontologie boursière" or Securities Dealing Code and any relevant rules, legislative and regulatory procedures as may be prescribed.

14. DECLARATION OF INTERESTS

- 14.1 A Director shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Director concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.
- 14.2 A Director shall not take part in any discussion or decision-making regarding any subject or transaction in which he/she has a conflict of interest with the Company.
- 14.3 All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with Directors require the approval of the Board.
- 14.4 The Board shall abide by the existing Conflict of Interest and Related Party Transactions Policy of the Company.

15. GENERAL

- 15.1 Unless required to do so by law, no Director shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Company and which he/she knows or should know to be of a confidential nature. At the end of each Director's term of office, he/she shall return all confidential documents in his or her possession to the Company or guarantee their disposal in a manner that ensures confidentiality is preserved.
- 15.2 Directors must inform the Chairperson of the Board and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions.
- 15.3 The Board shall establish and approve formal and transparent remuneration policies and procedures for Directors.
- 15.4 The Board in carrying out its tasks under these terms of reference, may obtain outside or other independent professional advice as it considers necessary, to carry out its duties. The Board shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 15.5 If permitted by law, the Board may occasionally decide (by unanimous decision) at its sole discretion not to comply with the provisions of this Board Charter.
- 15.6 In case of uncertainty or difference of opinion on how a provision of this charter should be interpreted, the opinion of the Chairperson of the Board shall be decisive.
- 15.7 If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.

The Board shall, as far as practicable, annually review its charter and update it as needed to adjust to new business needs and any changes in regulatory requirements. The Board shall also review and approve the charters of its Committees based on recommendations from the chairperson of each Committee on an annual basis.

This charter is approved by the Board of Directors on _____ and signed on their behalf by:

Chairperson of the Board