

Automatic Systems Ltd

BOARD CHARTER

Review Version history:

| Version | Date | Comments | Prepared by | Approved by the Board on |
|---------|------------|--|-------------|--------------------------|
| 1 | 24/03/2015 | Initial version | | 24/03/2015 |
| 2 | 16/03/2020 | Reviewed version replacing previous version | | 16/03/2020 |
| 2.1 | 18/03/2025 | Amended clauses 2.1, 2.3.2, 3.1.5, 8.2.1, 8.2.3, 9.2.3 and 9.4.1 | | 26/03/2025 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

This document is stored on <https://www.automaticsystems ltd.mu/>.

Any printed version is not guaranteed to be up to date and the latest version is always available in the above web storage locations.

This document shall be reassessed and reviewed by the Corporate Governance Committee who shall come the Board with any proposed amendment.

Review: at least every three years (or earlier if considered appropriate).

1. INTRODUCTION

A Board charter has the objective to provide the terms of reference for the Board and describes how the Board operates. As the focal point of the corporate governance system, the Board is ultimately responsible and accountable for the performance and activities of the Company and its subsidiaries.

The role of the Board is to oversee executive management and the proper functioning of the Company. To fulfil this role, the Board has, in this charter, defined its responsibilities.

The present board charter replaces the Board charter approved by the Board on 24/03/2015.

1.1. Complementary to Law and Constitution

These provisions are complementary to the requirements regarding the Board and Board members contained in the Companies Act 2001 and other applicable laws, the Constitution of Automatic Systems Ltd and the provisions governing the relationship between the committees and the Board as contained in the charters of the committees.

Should any conflict arise between this Charter and the Constitution or any relevant laws, the provisions of the Constitution or any applicable laws shall prevail.

1.2. Charter on Website

This charter, and any update, is posted on the Company's website

2. COMPOSITION OF THE BOARD, POSITIONS; COMMITTEES

2.1. Board Profile, Size, Expertise and Independence

2.1.1. Board Profile

The Board's size and level of diversity shall be in line with the sophistication and scale of the Company. Considering the size of the Company and its subsidiary, its geographical spread and limited range of activities, the number of directors shall remain in the range of 8 to 12.

The Board is a unitary board and shall comprise of executive, non-executive and independent directors as well as directors of both gender and shall prevent one individual or a small group of individuals from having a dominant position on the Board.

2.1.2. Number of Members

In accordance with the Constitution of Automatic Systems Ltd the Board shall have not less than 6, and not more than 12 members.

2.1.3. General Composition

The Board shall use its best efforts to ensure that:

- i. its members act independently of one another;
- ii. each Board member can assess the broad outline of the Company and Group's overall position;
- iii. each Board member has sufficient expertise to perform his or her role as a Board member;
- iv. the Board matches the Board Profile;
- v. at least one Board member is a financial expert, meaning he/she has expertise in financial administration and accounting for companies similar to the Company in size and sophistication;
- vi. at least one member is a woman; and
- vii. not less than three (3) of the Board members are independent as defined in Section 2.1.4 below.

2.1.4. Independence

An independent director is a board member who:

- i. is not an employee of the Company;
- ii. does not have material business relationship with the company either directly or as a partner, shareholder, director or senior employee of an organisation that has such relationship with the company; (c) 9has not, or has not had within the past three years, a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- iii. does not receive remuneration from the company except remuneration or any other benefit given to him as a director in accordance with section 159 of the Companies Act;
- iv. has not received or is not receiving additional remuneration from the Company apart from a director's fee;
- v. is not a nominated director representing a significant shareholder or substantial shareholder;
- vi. does not have close family ties with any of the Company's advisers, directors or senior employees;
- vii. does not have cross directorships nor significant links with other directors through involvement in other companies or bodies; *and*
- viii. has not served on the Board for more than 9 continuous years from the date of his first election.

2.2. (Re) Appointment, Election; Term of Office; Resignation

2.2.1. Substance of Nominations and Recommendations

The appointment process has been delegated to the Nomination and Remuneration Committee which then recommends to the Board the members to be appointed and/or re-elected.

New directors are appointed either by the Board or by Ordinary Resolution.

According to the Constitution, Directors are appointed:

- i. until they resign or are removed by ordinary resolution ;
- ii. until the next Annual Meeting where they can stand for re-election.

A nomination or recommendation to the Board, for a new candidate for the Board shall include the Curriculum Vitae of the candidate with:

- i. the candidate's age,
- ii. his or her professional background,
- iii. the amount and nature of any shares held in the Company,
- iv. the positions s/he holds or has held in the past three years (including memberships on any Board or management governing bodies/executive committees);
- v. his direct and indirect interest in the Company; and
- vi. any other information that may be relevant to assess his or her suitability as a member of the Board.

Any nomination or recommendation by the Board for appointment or reappointment of a new Board member must be in accordance with this charter.

2.2.2.Re-election

All Directors shall retire at each Annual Meeting and may stand for re-election. Before recommending a member of the Board for re-election, the Board must carefully consider his or her past performance on the Board.

2.3. Chairperson and Vice- chairperson

2.3.1.Election

The Board shall elect a chairperson from among its members. Subject to the Company's Constitution, the board may also appoint a vice-chairperson who shall replace, and assume the powers and duties of, the chairperson when the chairperson is absent.

2.3.2. Duties

The chairperson of the Board is primarily responsible for the activities of the Board and its committees. He/she shall act as the spokesperson for the Board and is the principal contact for the Executive Director (ED)/ General Manager (GM). The ED/GM and the chairperson of the Board shall meet regularly. The chairperson of the Board presides over the meeting of shareholders.

2.3.3. Responsibilities

The chairperson ensures that:

- i. the Board complies with its duties;
- ii. Board members, when appointed, participate in an induction program and, if applicable, in supplementary training programs;
- iii. the Board members receive all information necessary for them to perform their duties;
- iv. the agendas of board meetings are determined;
- v. the board meetings are chaired in an effective manner;
- vi. the Board has sufficient time for consultation and decision-making;
- vii. minutes are kept of board and committee meetings;
- viii. the committees function properly;
- ix. there is proper consultation with external advisors appointed by the Board;
- x. the performance of the Board members is evaluated every two years;
- xi. problems related to the performance of individual Board members are addressed;
- xii. there is a procedure for the resolution of internal disputes and conflicts of interest concerning individual Board members; and
- xiii. the Board has a line of contact with the Senior Management.

2.4. **Company Secretary**

2.4.1. Responsibilities

2.4.1.1. The company secretary assists the Board and provides guidance as to its duties, responsibilities and powers in line with the Companies Act and Listing Rules.

2.4.1.2. The company secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Law and the Company's Constitution.

2.4.1.3. The company secretary shall assist the chairperson of the Board in organizing the Board's activities (including providing information, preparing agenda, reporting of meetings, evaluations and, if applicable, training programs).

2.4.2. General access

2.4.2.1. All Board members may go to the company secretary for advice or to use his or her services.

2.5. **Committees**

2.5.1. Establishment of Committees

2.5.1.1 The Board may appoint committees from among its members to perform specific tasks. The Board shall determine the members of any committee as well as the committee chairperson.

2.5.2.2 The Board shall ensure that there is an Audit and Risk committee and a Corporate Governance committee (which also functions as a Remuneration and Nomination committee).

2.5.1.3 Only board members may be a member of any committee.

2.5.2. Board Responsibility for Committee Action

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

2.5.3. Committee Reporting

The committee chairperson or any of its members must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive at the following Board meeting, a report from the committee describing the committee's actions and findings.

2.5.4. Committee Charters/ terms of reference

The Board shall establish (and may amend) charters or terms of reference for each committee. The charters/terms of reference shall indicate the role and responsibilities of the committee, its composition and how it should perform its duties.

2.5.5. Website Disclosure

The charters shall be posted on the Company's website.

3. DUTIES AND POWERS

3.1. General Duties and Powers

3.1.1. General Responsibilities

Directors represent all shareholders and in every case must act in the company's interest. Each Director undertakes to verify that company decisions do not favour the interests of one portion or category of shareholder over those of any other.

The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight.

3.1.2. The Board acts in the interest of the Company

The Board shall act in the best interests of the company and its business, taking into consideration the interests of the company's shareholders and other stakeholders.

3.1.3. Quality of Performance

The Board is responsible for the quality of its own performance.

3.1.4. Action in Concert

As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle.

3.1.5. Provision on Information

The chairperson, the company secretary and the ED shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to function properly.

3.1.6. Responsibility for Securing Information

The Board and its individual members each has the responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the Company. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

3.1.7. Access to Records

Each member of the Board has access to the books and records of the Company, if useful to perform his or her duties. Unless the charter of a committee states otherwise, Board members shall consult with the chairperson of the Board and the company secretary before exercising their rights under this provision.

3.1.8. Use of Experts

The Board may hire experts for assistance or advice. The cost of such experts shall be agreed to by the Board and shall be paid by the Company. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.

3.1.9. Professional advice:

Directors are able to seek independent professional advice for matters related to the Company, should the need arise. This should be discussed with the chairperson first. Such professional services procured shall be at the Company's expense with the prior approval of the Chairperson.

3.2. Duties Regarding the Supervision of Management

3.2.1. Nature of Supervision

In supervising the management, the Board shall consider:

- i. the achievement of the Company's objectives;
- ii. the strategy and risks in the Company's activities;
- iii. the structure and operation of the internal risk management, and audit and control systems;
- iv. the financial reporting process;
- v. compliance with law and regulations; and
- vi. any other matters the law requires the Board to consider.

3.2.2. Financial Reporting

The Board supervises the Company's financial reporting.

3.2.3. Annual Risk Review

The Board shall discuss the Company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems. The Board shall each year consider the need for a strategy meeting with members of the Board, the Chairman and Senior Management.

3.3. Duties Regarding the Members and the Performance of the Board

3.3.1. Duties Regarding Board

The duties of the Board (in consultation with the appropriate Board committees) in relation to the members of the Board include:

- i. The nomination of members of the Board (the appointment is made subject to the Constitution) and proposals to the general meeting of shareholders for the remuneration of members of the Board;
- ii. The appointment of a chairperson and vice-chairperson of the Board, the establishment of committees and defining their role, the evaluation of the Board, its individual members and its committees (including an evaluation of the of the Board Profile and the induction, education and training program; the approval of other positions of Board members to the extent required under this charter); and
- iii. Addressing any conflicts of interest issues between the Company and members of the Board.

3.3.2. Board Assessment

At least every two years, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, the composition and competence of the Board and its committees.

3.4. Certain Other Duties of the Board

3.4.1. Duties Generally

The other duties of the Board include:

- i. duties regarding the internal and external auditor as described in this Board charter and the charter of the audit committee;
- ii. other duties imposed by law, the Company's Constitution, this charter and the charter of any committee.

3.4.2. Annual Report and Accounts

The Board shall draw up a report describing its activities during the financial year which shall contain such statements and information as required by law and the Company's Constitution.

4. Supervision of Financial Reporting

4.1. General Supervision Responsibilities

The Board, in consultation with the audit committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly financial reports and any other financial information. The Board, through the audit committee, also supervises the internal control and audit mechanism for external financial reporting.

4.2. Discussion of Financial Reports

The audit committee shall regularly provide the Board with reports on the annual report and accounts, and the quarterly financial reports, which will then be discussed and approved at a meeting of the Board. The annual report and accounts for the year just ended shall be discussed in a meeting with the Board within 90 days of the year end. The quarterly (if any) financial reports of the Company for the respective period just ended shall be discussed in a meeting with the Board within 45 days of the end of that period.

4.3. External Auditor

The audit committee shall ensure that the external auditor attends the meeting of the audit committee at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the committee decides to recommend or not the approval of the annual accounts. The external auditor shall receive all required financial information for the preparation of the annual report.

4.4. Audit and Risk Committee is Principal Contact with External Auditor

The Board's principal contact with the external auditor is through the chairperson of the audit committee.

4.5. Recommendations by External Auditor.

The Board shall carefully consider and, if accepted, implement any recommendations made by the external auditor including recommendations by the external auditor on the Company's internal controls, as expressed in the 'management letter'.

5. DUTIES REGARDING NOMINATION AND ASSESSMENT OF EXTERNAL AUDITOR

5.1. Appointment of External Auditor

The external auditor shall be appointed by the general meeting of shareholders. The Board shall, following the recommendation of the audit committee, propose the appointment as well as the replacement of the external auditor to the general meeting of shareholders.

5.2. Payment of External Auditor

Any payment to the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the audit committee, thus ensuring the auditor's independence.

5.3. Reports to the Board

The audit committee shall report their consultations with the external auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor providing both auditing and non-audit services to the Company). The Board shall consider this report when proposing the renewal of the the appointment of an external auditor to the general meeting of shareholders.

5.4. Assessment

At least once every three years, the audit committee shall conduct a thorough assessment of the functioning of the external auditor.

The Board shall procure the services of an external auditor at east every 7 years and shall consider whether the audit partner should be rotated at least every 5 years.

5.5. Conflicts of Interest

Conflicts of interest and potential conflicts of interest between the external auditor and the Company shall be resolved as determined by the Board on the recommendation of the audit committee. Board members must inform the chairperson of the audit committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Company.

5.6. Representation by External Auditor

When appointed, the external auditor shall state that it is aware of:

- i. the Company's audit policy, if the Company adopts one; and
- ii. other matters provided for in this charter and the charter of the audit committee and that it agrees to abide by and promote such policies.

6. EMOLUMENTS OF MANAGEMENT BOARD MEMBERS

6.1. Annual Remuneration Report

The Corporate Governance committee shall, every two years, review remuneration of executive directors and senior managers and a report on remuneration setting out the remuneration policies and activities of the past year and an overview of the remuneration policy and planned activities for the next financial year and subsequent years. The remuneration report will differentiate between executive and non-executive remuneration.

6.2. Approval by General Meeting

Subject to the Constitution, remuneration of the Board members other than remuneration of executive directors for their terms of employment, is determined by the general meeting. The Board shall submit proposals on its remuneration to the general meeting.

6.3. Corporate Governance Committee

The Board shall determine the remuneration of the executive and non-executive Board members on a proposal by the Corporate Governance committee and within the terms of the remuneration policy adopted by the general meeting.

6.4. Extraordinary Payment

Any special payment is made to a Board member or to a former Board member during any financial year shall be accompanied by an explanation which shall be included in the remuneration report or in the minutes of that meeting. The remuneration report/minutes shall explain with details any payment, including severance allowance, made or promised to a Board member.

7. RELATIONS WITH SHAREHOLDERS

7.1. Equal and Simultaneous Information

Where appropriate, the Board shall provide to the Stock Exchange first and then, at the same time, to all shareholders and other parties in the financial markets, information about matters that may influence the share price.

7.2. General Meeting; Record Date; Venue

The Board shall determine the date and place of any general meeting and a record date for the exercise of the voting and any other rights attached to the Company's securities at such meeting. The Board shall use its best efforts to provide shareholders with all information necessary or requested for the shareholders to properly act at the general meeting.

7.3. Compliance with Law

The Board shall ensure that all laws are complied with, regarding the rights of shareholders at the general meeting.

7.4. Attendance by Board members

Save for unavoidable circumstances, all the members of the Board shall attend the general meetings.

7.5. Chairperson of Shareholders Meetings

Special and Annual meetings are presided over by the chairperson of the Board or, in his or her absence, the vice- chairperson of the Board, or any Director of the Company. The Board may also designate someone else to preside over the meeting.

7.6. Disclosure of Resolutions

A resolution of the general meeting if considered necessary, may be publicly disclosed only through a statement from the chairperson of the Board or the Company Secretary.

7.7. Changes to Corporate Governance

Any substantial change to the corporate governance structure of the Company shall be approved by the Board, and if considered appropriate and relevant by the Board, submitted to the general meeting for discussion under a separate agenda item.

7.8. Attendance by external auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the general meeting and gives explanations at the meeting, if necessary.

8. BOARD MEETINGS; DECISION-MAKING

8.1. Frequency, Notice, Agenda and Venue of Meetings

8.1.1. Frequency

The Board shall meet as often as necessary, but not less than three (3) times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet earlier than scheduled if deemed necessary by the chairperson of the Board or two other members of the Board.

8.1.2. Notice and Agenda

Meetings of the Board are called in accordance with the Constitution. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The chairperson shall consult with the ED prior to convening the meeting as regards the content of the agenda. Each Board member and the ED/GM has the right to request that an item be placed on the agenda for a Board meeting, provided that the item is notified to the chairperson at least ten days prior to the meeting.

8.1.3. Venue

Board meetings are generally held at the offices Hardy Henry Services Ltée, Pailles but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

8.2. Attendance of and Admittance to Meetings

8.2.1. Attendance by Executive Director (ED)/ GM

The ED shall attend Board meetings unless the Board instructs him not to. The GM and/or other executives may, if requested by the Board, attend meetings of the Board in whole or in part.

Unless there is any objection from majority of the Directors present, other attendees may attend the Board meeting upon being authorised by the Chairperson.

8.2.2. Undue Absence

A Director shall ensure that he/she can devote sufficient time to the Company to discharge his duties in an efficient manner.

If a Board member is frequently absent from Board meetings, he/she shall be required to explain such absences to the chairperson and may be requested to step down as Director.

8.2.3. Attendance by Non-Members

The admission to a meeting of persons other than Board members, the ED, the Company Secretary and (if invited) the GM and other executives, shall be decided by the chairperson or by the majority of the Directors.

8.3. **Chairperson of the Meeting**

Board meetings are presided over by the chairperson of the Board or, in his or her absence, the vice-chairperson. If both are absent, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.

8.4. **Decision-Making within the Board**

8.4.1. Preference for Unanimity

The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

8.4.2. Individual Vote

Subject to the Constitution, each Board member has the right to cast one vote. The Chairperson shall not have a casting vote.

8.4.3. Majority Vote; Quorum

Where unanimity cannot be reached and the law, the Company's Constitution or this charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast by

the directors present. At a meeting, the Board may only pass resolutions if there is a quorum in accordance with the Constitution.

8.4.4. Adoption at Meeting

Resolutions of the Board are adopted at a Board meeting.

8.4.5. Written Consent/unanimous resolution

Board resolutions may also be adopted in writing in accordance with the Constitution. Board resolutions must be signed by all directors (or their alternates if applicable). Resolutions may be signed in counterparts.

8.4.6. Minutes

Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the chairperson and the Secretary of the meeting where the minutes are adopted and then added to the Company's records. Each member of the Board shall receive a copy of the minutes. Each member of the Board may demand a note explaining how he/she voted. Each member of the Board may demand that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

8.4.7. Certification of Resolutions

A resolution adopted by the Board shall be publicly disclosed only if approved by the Board or if requested by the chairperson.

8.4.8. Extracts of resolutions/board meetings minutes

Extracts of resolutions or board meeting minutes may be signed by any one director or by the Company Secretary.

9. OTHER PROVISIONS

9.1. Alternate Directors

9.1.1. Appointment of Alternates is discouraged;

9.1.2. Directors may appoint alternates subject to approval of the majority of the Directors;

9.1.3. Directors shall not act as alternate for more than one other director;

9.1.4. Alternate shall only be convened to Board meetings on written request from the Director. The Director shall inform the Company Secretary that he shall be replaced by his Alternate at any Board meeting; and

9.1.5. Alternate Directors attending meetings or signing resolutions shall have the same responsibilities and powers as the Director himself.

9.2. Conflicts of Interest of Board Members and related party transaction

9.2.1. Duty to Disclose

A Board member 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 Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

9.2.2. Interest in shares

Directors shall notify the company of any interest, whether direct or indirect, in the shares of the Company. Any change in such interest shall be notified without delay – in all cases within 14 days from the change.

9.2.3. Related Party Transactions

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party, and the Company may develop a policy on how to ensure that the rights of shareholders are protected during such transactions. A related party includes the following:

- i. The Board members of the Company, its parent Company, affiliated or sister companies and associates.
- ii. A parent Company and any subsidiary or affiliated Company that is not wholly owned;
- iii. The ED or GM, and key officers, including anyone who directly reports to the Board or the CEO;
- iv. Any significant shareholder owning or controlling more than 5% of the voting shares having the ability to control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders or governing board members of the Company, its parent Company, affiliated or associated companies;

- v. The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Clauses (i, ii and iii);
- vi. A nominee;
- vii. Any business, and the governing board members, ED and key officers of any business, in which the natural persons listed in paragraphs (i) to (v) own jointly or severally at least 5% of the voting rights; and
- viii. Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs (i) to (vii).

9.2.4. Abstention by Conflicted Party

Subject to the Constitution, a Board member 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. The Board members may however attend the meeting and be counted in the quorum and be requested to leave when the conflicting subject is discussed.

9.2.5. Requirements to Approve Conflicts of Interest

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions where there are conflicts of interest with Board members require the approval of the Board and shall be disclosed by the conflicted Director who shall also request that such interest be entered in the interest register.

9.3. Compensation of Board Members

9.3.1. Reimbursement of Costs

Apart from their remuneration, Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the chairperson of the Board. Any other expenses shall be reimbursed only if incurred with the prior consent of the chairperson or the Company Secretary on his or her behalf (or if it concerns the chairperson, the vice-chairperson or any two directors on his or her behalf).

9.3.2. Loans and Guarantees

The Company and its subsidiaries do not grant personal loans, guarantees or the like to Board members, save as part of its usual business operations.

9.4. **Induction Program, Ongoing Training and Education**

9.4.1. Induction Program

Upon his or her election, each Board member shall participate in an induction program that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member. Directors shall meet the ED/GM for an insight of the Company's activities.

9.4.2. Training

The Company may identify areas where the Board members require further training or education. Such training may be provided by the Company itself or can be provided by an external service provider. Considering the size of the company, the Directors are encouraged to seek for outside training on a regular basis.

9.4.3. Costs of Company

The costs of the induction course shall be paid for by the Company. Outside training, that are MQA approved and refundable may be reimbursed by the Company, subject to the Corporate Governance Committee members' approval.

9.5. **Other Positions**

9.5.1. No Excess Memberships

Members of the Board shall limit their other positions so as to ensure they can perform their duties as members of the Board.

9.5.2. Notice of Outside Positions

Board members must inform the Chairperson of the Board and the Company Secretary of their other positions before accepting such positions – an update shall also be provided as soon as there are changes in any member's outside positions. If the Chairperson determines that there is a risk of a

conflict of interest, the matter shall be discussed by the Board in accordance with this charter. The Company Secretary shall keep a list of the outside positions held by each Board member.

9.6. Confidentiality

9.6.1. Duty to Keep Information Confidential

Unless required to do so by law, no Board member 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. A Board member may disclose such information to fellow Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

9.6.2. Return of Confidential Information

At the end of each Board member's term of office, s/he 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.

9.6.3. Notice of Disclosure

If a Board member intends to disclose to third parties information which s/he has become aware of in his or her duties and which may be confidential, s/he must inform the Chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

9.7. Disclosure on interest in shares

9.7.1.1. Directors shall notify the company forthwith of any interest or of any change in their direct or indirect interest in the Company and require the Secretary to update the company's registers accordingly. The notification shall be in writing and include any beneficial or non-beneficial

interest s/he holds, either in his/her own name or through a nominee, in the securities of the company, and of any beneficial interest in the securities of the company, so far as s/he is aware (having made all reasonable enquiries), of any of his associates. Any changes in a Director's or his associates' holdings, as notified under this section, shall also be reported to the Secretary of the company in writing.

9.7.1.2. Any notification shall occur as soon as possible, but not later than 14 days after the acquisition or cessation of the interest and shall contain the following information:

- 9.7.1.2.1. The name of the director or his associate;
- 9.7.1.2.2. If applicable, details of the relationship of the director with the associate;
- 9.7.1.2.3. The date on which the transaction giving rise to the interest (or cessation of interest) was effected;
- 9.7.1.2.4. The price, amount and class of security concerned;
- 9.7.1.2.5. The nature of the transaction; and
- 9.7.1.2.6. The nature and extent of the Director's interest in the transaction.

9.7.1.3. A written record of the interests of the Directors of a company and their associates shall be kept by the company in the form of a register of directors' interest.

9.8. Miscellaneous

9.8.1. Acceptance by Board Members

Anyone who is appointed as a Board member must, upon assuming office, declare in writing to the Company that s/he accepts and agrees to comply with the provisions of this charter.

9.8.2. Occasional Non-Compliance

If permitted by law, the Board may occasionally decide at its sole discretion not to comply with the provisions of this charter.

9.8.3. Interpretation

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.

9.8.4. Partial Invalidity

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.

10. **Continuing obligations**

10.1.1. Additional obligations

- 10.1.1.1. Each director shall be aware of his/her legal duties and responsibilities as Director, in conformity with all legislations and rules and regulations applicable to the Company.
- 10.1.1.2. Each Director commits, when reaching the age of 70, to inform the company forthwith. The Section 138 (6)(c) of the Companies Act 2001 shall then apply.
- 10.1.1.3. Each Director shall ensure that he/she has the knowledge and training he/she considers appropriate to be able to perform his/her role as Director in an efficient manner.
- 10.1.1.4. Directors shall not take advantage of their position as Director and cannot use company information obtained during their duties as Director for their personal benefit.
- 10.1.1.5. Directors shall not trade in the Company's shares during close periods and shall ensure that the applicable rules and legislations are followed when trading in shares.

11. **General**

Review process

The Board charter shall be reassessed and reviewed every three years (or earlier if considered appropriate) by the Corporate Governance Committee who shall come the Board with any proposed amendment.). This charter may be amended or replaced by a new Charter by the Board at its sole discretion without prior notification subject to the approval of the Board of Directors of the Company.

By virtue of accepting a Director appointment, each Director or alternate subscribes to the present charter. A Director who is no longer in compliance with the present charter must draw the appropriate conclusion and submit his mandate to the Board.