



## **BOARD CHARTER**

The Board of Directors (“the Board”) of Grit Real Estate Income Group Limited (“the Company”) has the following Charter (“Charter”) in terms of the recommendations contained in the Report on Corporate Governance for Mauritius and the King Code of Governance Principles (“King IV”) . The Charter is subject to the provisions of the Constitution, the Listing Rules of the Stock Exchange of Mauritius Ltd (“SEM”), the Listing Requirements of the JSE Limited (“JSE”) and any other applicable law or regulatory division. Good governance is characterised by the ethical values of responsibility, accountability, fairness and transparency.

## **1. PURPOSE OF CHARTER**

This Charter sets out:

- 1.1 The roles, functions, obligations, rights, responsibilities and powers of the Board;  
and
- 1.2 The policies and practices of the Board in respect of its duties, functions and responsibilities.

## **2. COMPOSITION OF THE BOARD**

- 2.1 The Board is the link between shareholders and the Company and as such, the Company should be headed by an effective board which can both lead and control the Company.
- 2.2 The Company shall maintain a unitary Board which shall comprise Executive Directors with their intimate knowledge of the business, Non-Executive Directors who can bring a broader view to the Company’s affairs, and Independent Non- Executive directors who can bring additional experience as well as independence in terms of thought of deliberations.
- 2.3 The Chairman of the Board shall preferably be an Independent Non-Executive Director.
- 2.4 In the event of the Chairman not qualifying as independent or if conflicted, then the Board shall appoint a Lead Independent Non-Executive Director who can assist the Board to deal with any actual or perceived conflicts of interest.
- 2.5 All boards should have at least two executives as members.
- 2.6 The Board shall appoint the Chief Executive Officer (“CEO”) and set the terms of his/her employment;
- 2.7 All members of the board will be individuals of integrity who bring a blend of knowledge, skills, objectivity, experience and commitment to the board.

## **3. MEMBERSHIP OF THE BOARD**

- 3.1 The offices of the Chairman of the Board and the CEO shall be separate. There shall at all times be a clearly defined division of responsibilities in offices to ensure a balance of authority and power. In this respect, the Board shall approve a Statement of Division of Responsibilities between the Chairman and the CEO to clarify their roles;

- 3.2 The members of the Board shall be expected to:
- 3.2.1 Have a working knowledge and understanding of the Company's business and the laws, regulations and customs that govern the activities of the business;
  - 3.2.2 Keep abreast of changes and trends applicable to the Company and the economic, political, social and legal climate in general;
  - 3.2.3 Make independent and sound business decisions and recommendations; and
  - 3.2.4 Uphold the highest ethics at all times.
- 3.3 The size of the Board shall be sufficient to ensure the presence of a wide range of skills, knowledge and experience without compromising common purpose, involvement, participation, partnership and a sense of responsibility amongst its members necessary to meet the Company's strategic objectives.
- 3.4 The period of office of Directors shall be as follows:
- 3.4.1 New Directors shall hold office only until the next Annual General
  - 3.4.2 Meeting at which they will retire and be available for re-election;
  - 3.4.3 The termination of employment of any Executive Director for whatever reason shall result in the simultaneous resignation of that Director from the Board; and
  - 3.4.4 An independence and performance review of Non-Executive Directors serving for 9 or more years shall be conducted.
- 3.5 Appointments to the Board shall be on the recommendation of the Nomination and Remuneration Committee, through a formal and transparent process. The directors of the Company shall be appointed by the Company in general meeting or at meetings of the board, who should be elected (or re-elected) every year at the meeting of shareholders. A CV of Directors standing for re-election shall be made available to shareholders.
- 3.6 On appointment to the Board, Non-Executive directors shall receive a formal letter of appointment setting out clearly what is expected of them in terms of their roles and responsibilities, time commitments, committee service and involvement outside Board meetings. This Board Charter shall be attached to the letter of appointment, to which the director will consent to abide.
- 3.7 An induction programme aimed at ensuring an understanding of the Company, its operating environment and the markets in which it trades shall be conducted for all newly appointed Directors.
- 3.8 The Board shall establish a Nomination and Remuneration Committee with the objects of ensuring directorship continuity, overseeing the succession planning of Directors and the regular review of the performance of the Board, the Board members and Board Committees.
- 3.9 Non-Executive Directors shall be at liberty to accept appointments to other Boards, provided that such appointments do not result in any conflicts of interest with the Company and provided that such appointments do not encroach upon the time of Directors to fulfil their duties.
- 4. THE ROLE OF THE BOARD**
- 4.1 The Board shall assume the ultimate responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the interests of the Company and its shareholders. The Board, shall at all times retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company.
- 4.2 In addition the Board has a responsibility to the broader stakeholders, which include, but are not

limited to, the present and potential beneficiaries of the Company, clients, suppliers, lenders, employees and the wider community to achieve continuing prosperity for the Company.

- 4.3 Directors, both Executive and Non-Executive, carry full fiduciary responsibility and owe a duty of care and skill to the Company in terms of Common Law, the Report on Corporate Governance for Mauritius and the King IV, always acting in the best interests of the Company.
- 4.4 The Board will exercise leadership, enterprise, integrity and judgement in directing the Company's affairs to achieve continuing compliance within the context of, transparency and accountability.
- 4.5 The Board shall oversee, approve, monitor and review corporate strategy, major plans of action, Company policies, appropriate systems, annual budgets and business plans. The Board should appreciate that strategy, risk, performance and sustainability are inseparable.
- 4.6 The Board will establish performance objectives to enable it to measure management's performance and the progress of the Company in attaining set goals, objectives and targets.
- 4.7 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 and to ensure that it reserves specific powers and authority for itself. All delegated authority shall be in writing and shall be evaluated on a regular basis.
- 4.8 The Board will manage potential conflicts of interest of Board members, management, the shareholders and wider stakeholders.
- 4.9 The Board shall oversee the Company's values and ethics and shall ensure that an appropriate Business Integrity Policy is in place.

## **5. COMMITTEE**

- 5.1 The Board is authorised to form committees to assist in the execution of its duties, powers and authorities, but at all times remains accountable to shareholders. Committees of the Board can help to efficiently advance the business of the Board. At the same time, committees can demonstrate the directors' responsibilities are being adequately and properly discharged.
- 5.2 The Board has standing committees, namely the Audit Committee, Risk Committee, Investment Committee and the Nomination and Remuneration Committee.
- 5.3 Each committee will have a charter as approved by the Board.

## **6. MEETING – FREQUENCY, QUORUM AND BOARD ATTENDANCE**

- 6.1 Meetings of the Board shall be held at such time and at such venue as the Board deems appropriate. The Board would meet at least four times a year. The quorum necessary for the transactions of business of the directors shall be a simple majority of directors.
- 6.2 Directors shall use their best endeavors to attend Board meetings and are expected to attend at least 75% of Board meetings on an annual basis and are to prepare thoroughly for all meetings. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the board table and in so doing, add value to the Board. Directors who are unable to attend a meeting shall advise the Company Secretary.

6.3 The same attendance requirements will be applicable to the Board Committees.

## **7. PROCEEDINGS OF MEETINGS**

7.1 Unless varied by these terms of reference, meetings and proceedings of the Board shall be governed by the Company's Constitution.

7.2 Except under exceptional circumstances, at least seven days' notice shall be given for a meeting of the Board. The agenda and the supporting papers will be delivered at least five days before the meeting.

7.3 Minutes of the meeting shall be taken by the Company Secretary and shall be circulated to all members of the Board.

## **8. PROFESSIONAL OR BUSINESS SERVICES PROVIDED BY DIRECTORS**

8.1 Non-executive directors should, as a general rule, not provide any professional or business services of an on-going nature to the company.

8.2 The company may, for the purpose of a specific assignment, engage the services of a non-executive director (specific field of expertise). The terms of this engagement must be competitive, clearly recorded and all requirements with regards to disclosure must be complied with, including Board approval being obtained.

## **9. BOARD EVALUATIONS**

The Board shall annually evaluate its composition, own performance, processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role. Guidance in the Report on Corporate Governance for Mauritius and the Code of Corporate Practices and Conduct ("King IV") shall, at a minimum, be adopted.

## **10. SHAREHOLDING BY DIRECTORS**

Directors shall observe the provisions of buying or selling of their shares in respect of any relevant rules, legislative or regulatory procedures and prescribed procedural recommendations (including the Companies Communications and Trading Policy). Specific reference is made in this respect to the requirement of disclosure of share dealings on the SEM and the JSE, the prohibition on any share dealings in closed periods and the provisions of the SEM Listing Rules.

## **11. DECLARATION OF INTERESTS**

Directors shall at all times observe the legal requirements in respect of the declaration of interests and do everything reasonable possible to avoid a conflict of interest in the execution of their duties and responsibilities to the company.

Any possible conflict of interest shall at all times be declared up front and the director concerned shall not participate in the related discussion and vote on the subject matter.

**12. GENERAL**

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.

This charter may from time to time be amended by the Board, as and when required.

This charter is approved by the board of directors on ... .. and signed on their behalf by:

\_\_\_\_\_  
Chairman of the Board