



# **BOARD CHARTER**

## **1. CONSTITUTION**

Good governance is characterised by the ethical values of responsibility, accountability, fairness and transparency.

The Board of directors ("the Board") of Grit Real Estate Income Group Limited ("the Company") is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to our Boardroom. It is through this diversity, its deep understanding of our business, culture and stakeholders, that the Board generates sustainable long-term value.

The Board has the following Charter ("Charter") in terms of the recommendations contained in the National Code of Corporate Governance for Mauritius 2016 (Mauritius Code) and the 2018 UK Corporate Governance Code (UK Code).

The Charter is subject to the provisions of the Memorandum and Articles of Incorporation of the Company, the Listing Rules of the London Stock Exchange, the Listing Rules of the Stock Exchange of Mauritius Ltd ("SEM") and any other applicable law or regulatory division. This Charter may be read along with the Charters of each sub-committee of the Board of the Company.

Any reference in this Charter ("the Charter") to the Company or Group is to be interpreted to include any Company or companies within the Grit group of companies and not necessarily to refer only to the Group as a whole. Accordingly, this Charter shall be applicable to Grit group of companies, and also to any company or companies within the Grit group of companies, as the Board may deem appropriate.

## **2. PURPOSE OF THE CHARTER**

This Charter sets out:

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

## **3. THE ROLE OF THE BOARD**

3.1 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. Whilst the Board is responsible for the affairs of the Company, the Board shall also be informed of any matter that could ultimately affect the Company by any company or companies within the Grit Group.

3.2 The Board is responsible to establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

3.3 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. In order for the company to meet its responsibilities to shareholders and stakeholders, the board will ensure effective engagement with, and encourage participation from, these parties.

3.4 Directors, both executive and non-executive, carry full fiduciary responsibility and owe a duty of care and skill to the Company in terms of the Companies (Guernsey) Law, 2008, the National Code of Corporate Governance for Mauritius 2016 and the 2018 UK Corporate Governance Code, always acting in the best interests of the Company.

3.5 The Board will ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

3.6 The Board will exercise leadership, enterprise, integrity and judgement in directing the Company's affairs to achieve continuing compliance within the context of, ethics, transparency and accountability.

3.7 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.

3.8 The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The Board will ensure that the workforce is able to raise any matters of concern.

3.9 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.

3.10 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.

3.11 The Board will manage potential conflicts of interest of Board members, management, the shareholders and wider stakeholders.

3.12 The Board shall oversee the Company's values and ethics and shall ensure that an appropriate Business Integrity Policy is in place.

#### **4. COMPOSITION OF THE BOARD**

4.1 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.

4.2 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.

4.3 At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.

4.4 The Chair of the Board shall be an independent non-executive director. The Chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be

extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment. A clear explanation should be provided.

4.5 In the event of the Chair being conflicted, then the senior independent non-executive director will assist the Board to deal with any actual or perceived conflicts of interest.

4.6 The Board shall have at least one or two executives as members, as long as the composition complies with the Mauritius Code and/or the UK Code.

4.7 The Board shall appoint the Chief Executive Officer ("CEO") and set the terms of his/her employment.

4.8 All members of the Board will be individuals of integrity who bring a blend of knowledge, skills, objectivity, experience and commitment to the Board.

4.9 At least half the Board, excluding the Chair, shall be non-executive directors whom the Board considers to be independent.

## **5. MEMBERSHIP OF THE BOARD**

5.1 The offices of the Chair 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 Chair and the CEO to clarify their roles.

5.2 The members of the Board shall be expected to:

5.2.1 Have a working knowledge and understanding of the Company's business and the laws, regulations and customs that govern the activities of the business;

5.2.2 Keep abreast of changes and trends applicable to the Company and the economic, political, social and legal climate in general;

5.2.3 Make independent and sound business decisions and recommendations; and

5.2.4 Uphold the highest ethics at all times.

5.3 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.

5.4 The period of office of directors shall be as follows:

5.4.1 New directors shall hold office only until the next Annual General Meeting (AGM) at which they will retire and be available for re-election;

5.4.2 The termination of employment of any executive director for whatever reason shall result in the simultaneous resignation of that director from the Board; and

5.4.3 An independence and performance review of non-executive directors serving for 9 or more years shall be conducted.

5.4.4 Where the Company retains directors on Board, at all times, disclosure will be made in the Integrated Annual Report in line with the UK Code and the Mauritius Code.

5.5 Appointments to the Board shall be on the recommendation of the Nomination Committee, through a formal and transparent process. The directors of the Company shall be appointed by the Company in a 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.

5.6 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.

5.7 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.

5.8 The Board shall establish a Nomination 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.

5.9 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.

## **6. COMMITTEES**

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. Also, the Board remains collectively responsible for the decisions and actions taken by any committee.

The Board has standing committees, namely the Audit Committee, Risk Committee, Investment Committee, Nomination Committee, Responsible Business Committee and Remuneration Committee.

Each committee will have a charter as approved by the Board. Each Committee shall be responsible to review the charter on an annual basis and submit same to the Board for approval.

## **7. MEMBERSHIP**

### *7.1 Composition*

- i. The Board shall comprise of at least 50% of independent non-executive directors.
- ii. The members of the Board as a whole must have sufficient qualifications and experience to fulfil their duties.

### *7.2 Appointment*

The members of the Board shall be appointed as recommended by the Nomination Committee and approved by the Board and in accordance with applicable laws and the Memorandum and Articles of Association of the Company.

The members of the Board may be required to attend the Company's Annual General Meeting ("AGM") to answer relevant questions posed by Shareholders.

### 7.3 *Duration*

Members of the Board shall be appointed for such period of time as the Board requires or as may be re-appointed at AGM by the shareholders, unless such member decides to resign.

## **8. MEETING - FREQUENCY, QUORUM AND BOARD ATTENDANCE**

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

### 8.1 *Frequency*

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.

Meetings in addition to those scheduled may, with approval of the Chair, be held at the request of the CEO or other members of EXCO/senior management or at the instance of the Board.

The Chair may meet with the CEO, and/or other member(s) of EXCO/senior management and/or the Company Secretary/Group Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

### 8.2 *Attendance*

i. 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.

ii. The same attendance requirements will be applicable to the Board committees.

iii. The members may if they deem fit, confer by telephone, closed circuit television or video conferencing.

iv. The provisions of the Charter relating to the proceedings of members apply so far as they are capable of application of mutatis mutandis to such conference.

v. Board members will attend all scheduled meetings of the Committee, including meetings called on an ad-hoc basis for special matters, unless prior apology, with reasons, has been submitted with the Chairman or Company Secretary.

vi. The Company Secretary or the Group Corporate Secretary of the Company will be the secretary to this Committee ("Secretary").

vii. In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting, who would qualify under this Charter to be appointed to that position by the Board or such person shall act as Chair as nominated by the Chair to replace the later in his/her absence.

### 8.3 *Agenda*

- i. Except under exceptional circumstances, at least five business days' notice shall be given for a meeting of the Board.
- ii. The Company Secretary or the Group Corporate Secretary of the Company, (in consultation and agreement with the Chair or such designated senior management officer), shall draft the agenda, which shall be circulated with supporting documentation, preferably 5 business days prior to each meeting to the members of the Board.
- iii. Members of the Board must be fully prepared for Board meetings, to provide appropriate and constructive input on matters discussed.

### 8.4 *Minutes, written resolutions and reporting procedure*

- i. The minutes of the meetings, along with its matters arising shall be completed within fifteen business days of such meeting and shall be circulated to all members and other relevant personnel, for review thereof.
- ii. The minutes will be formally approved by the Board at its next scheduled meeting.
- iii. The Company Secretary or the Group Corporate Secretary of the Company shall attend and minute all meetings.
- iv. The Company Secretary or the Group Corporate Secretary of the Company may incorporate the approved minutes of the Committee meetings in the meeting files prepared for meetings of the Board for noting purposes, as applicable.
- v. In addition to the above, the Chair of each Committee will provide verbal and/or written feedback at the meetings of the Board of directors on the Committee's recent activities and shall also recommend matters to be approved by the Board, as may be required.
- vi. A resolution in writing signed by a majority of the members of the Board at the time when such resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meetings of Board, provided that each member of Board shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

### 8.5 *Quorum*

The quorum necessary for the transactions of business of the directors shall be a simple majority of directors.

### 8.6 *Attendees*

A senior representative of the Company's external auditor, the CEO, the CFO, and any other senior management member or any other key personnel of the Group may be invited to attend Committee meetings to report on matters as set out in this Charter.

The Board may invite any other relevant person to attend the Board meetings, but by invitation only. Such persons may not vote on any matters.

## **9. MEMBER SKILLS AND TRAINING**

To perform the roles and responsibilities outlined in this Charter, the members of the Board shall be knowledgeable about the affairs of the Group and, where appropriate, specific skills shall be represented on the Board.

Every member should have experience in some area pertinent to the business of the Company.

New members should receive a complete orientation that allows them to function effectively from the start.

Opportunities for continuous education and training on sustainability issues should be actively pursued by each member.

The directors of the Company are strongly encouraged to attend training which could help them to perform their duties towards the Company more effectively. This training shall be at the Company's expense.

The Board shall conduct an annual review to identify areas where the Board members require further training or education.

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

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

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.

## **11. REMUNERATION**

The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.

Having regard for the functions performed by the members of the Board, and pursuant to the specific power conferred upon the Board by the shareholders and the Memorandum and Articles of Association of the Company, the Chair and members of the Board shall be paid in accordance with the remuneration levels approved by the shareholders at an AGM of the Company.

## **12. 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 National Code of Corporate Governance for Mauritius 2016 and the 2018 UK Corporate Governance Code shall, at a minimum, be adopted.

## **13. 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 as per the Company's policies. Specific reference is made in this respect to the requirement of disclosure of share dealings on the SEM and the LSE,



the prohibition on any share dealings in closed periods and the provisions of the SEM Listing Rules and the Market Abuse Regulations.

#### **14. 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.

#### **15. REVIEW OF CHARTER**

This Charter may from time to time be amended by the Board, as and when required and will be reviewed at least every year. 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.

#### **16. 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.

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 organisation 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 organisation and which he/she knows or should know to be of a confidential nature. At the end of each Board member's term of office, he/she shall return all confidential documents in his or her possession to the organisation or guarantee their disposal in a manner that ensures confidentiality is preserved.

This Charter is approved by the Board of directors on 22 February 2024 and signed on their behalf by:



Peter Todd  
Chair of the Board