

## **MAURITIUS INSTITUTE OF DIRECTORS (the “Company”/“MloD”)**

### **TERMS OF REFERENCE OF THE CORPORATE GOVERNANCE COMMITTEE (the “Committee”)**

The Corporate Governance Committee is established to ensure that the reporting requirements of the MloD on corporate governance are in accordance with the principles of the applicable Code of Corporate Governance.

The Corporate Governance Committee will also act as Membership and Nomination Committee as and when required.

These Terms of Reference may be amended, subject to the approval of the Board of MloD:

#### **1. PURPOSE**

1.1 The Committee shall operate as a standing committee of the Board of Directors (the “Board”)

1.2 The Committee shall assist the Board in fulfilling its oversight responsibilities for:

- (i) the approval and management of membership in line with the constitution of the MloD,
- (ii) the appointment of all new Board members;
- (iii) reviewing the balance and effectiveness of the Board;
- (iv) the appointment of the Chief Executive Officer (CEO);
- (iv) succession matters related to key positions within the MloD, including the Board members;
- (v) the annual performance review of the Board members and of the CEO and other Chief officers of the MloD (if applicable) and the remuneration of the CEO;
- (vi) assisting the Board in overseeing all matters concerning the Corporate Governance practices of the Board as well as the application by the MloD of the principles of the National Code of Corporate Governance for Mauritius (2016) (the “Code”). The Committee shall provide suggestions with regards to the promotion and achievement of the MloD’s mandate through the advocacy platform and related matters as may be referred to the Committee by the Board within the limits of the powers and duties as specified herein.

1.3 In the event that any activity of this Committee is unforeseen or not specified in these Terms of Reference, the Chairperson of the Committee shall bring the matter to the Board for approval. Only exceptionally and for urgent matters requiring immediate attention, shall the Committee handle activities outside of the scope of these Terms of Reference. In such urgent circumstances, the Chairperson of the Committee shall however immediately discuss the matter with the Chairperson of the Board and which will be proposed for ratification at the following Board meeting.

#### **2. AUTHORITY**

2.1 The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibilities as outlined under paragraph 5 hereunder.

- 2.2 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's Constitution.
- 2.3 These Terms of Reference may be amended as required, subject to the approval of the Board.
- 2.4 The Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties. If such outside or other independent professional advice requires the payment of fees, the Committee shall obtain prior approval by the Board.
- 2.5 The Board will ensure that the Committee will have access to professional advice in order to perform its duties.
- 2.6 The Committee's role is to present to the Board its recommendation and the Board has the sole authority to make decisions, save for Clause 2.7 of this Terms of Reference, whereby the Board has provided delegated powers to the Committee.
- 2.7 The Committee is empowered by the Board to:
- 2.7.1 Approve members' applications - whenever there are no apparent issues of reputation for the MloD in accepting such member. In the case an apparent issue of reputation is present, the Chairperson Committee will need to submit the case to the Board for a formal decision on the specific case;
  - 2.7.2 Resolve any disagreements between members and the MloD - If the disagreement cannot be resolved without a possible impact on the reputation of the MloD and/or its employees, the Chairperson Committee will need to submit the case to the Board for a formal decision on the specific case;
  - 2.7.3 Review and recommend to the Board changes in the criteria for membership categories;
  - 2.7.4 Review and recommend to the Board changes to membership fees and subscriptions;
  - 2.7.5 Review and recommend to the Board changes to Membership Rules and Regulations and the Members Code of Conduct;
  - 2.7.6 Review and recommend to the Board changes to the nomination's procedures; and
  - 2.7.7 Recommend to the Board new Board and Chief Executive Officer's appointments and remuneration;
  - 2.7.8 Review and recommend to the board executive and staff remuneration matters and annual budget.

### **3. COMPOSITION**

- 3.1 The Committee shall be appointed annually by the incoming Board of Directors after their election at the Annual Members' Meeting.
- 3.2 The Committee shall consist of not less than FOUR (4) MloD Directors appointed by the Board.
- 3.3 As far as possible, the Committee shall be composed of a majority of Independent Non-Executive Directors.
- 3.4 The Board of the MloD shall nominate the Chairperson of the Committee at the first meeting after the Annual Members' Meeting.
- 3.5 The Company Secretary of the MloD shall be the secretary of the Committee.

- 3.6 Persons who have served on this Committee until the conclusion of the Annual Members' Meeting shall be eligible for reappointment.
- 3.7 The Chairperson of the Committee will continue to serve until the next Chairperson is appointed.
- 3.8 Members of the Committee shall not be permitted to appoint alternates or proxies to act in their stead.

#### **4. MEETINGS**

- 4.1 In carrying out its functions, the Committee shall meet as often as is necessary, and at least Three (3) times per annum.
- 4.2 The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.
- 4.3 A Committee meeting shall be held either:
- (i) by a number of Members who constitute a quorum, being assembled together at the place, date, and time, appointed for the Committee Meeting; or
  - (ii) by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum, can simultaneously hear each other throughout the Committee Meeting,
- 4.4 The quorum for meetings of the Committee shall be THREE (3) members present throughout the meeting who shall vote on matters for decision.
- 4.5 The Notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda items to be discussed shall be provided in advance to the members along with the appropriate briefing materials.
- 4.6 Minutes shall be kept of all proceedings of the Committee where it has met. In the event of circularised decisions taking place of the Committee Meetings, these must be approved at the next subsequent meeting of the Committee.
- 4.7 Minutes of all meetings shall be circulated to all the members of the Committee and may also, if the Chairperson of the Committee decides so, be circulated to other members of the Board.
- 4.8 Any Director may, provided that there is no conflict of interest and with the agreement of the Chairperson, obtain copies of the Committees' minutes.

#### **5. RESPONSIBILITIES**

The Committee will carry out the following responsibilities under the limitations outlined under paragraph 2.7 above:

- 5.1 The Committee shall attend to all matters concerning membership of the MloD, as outlined in its constitution, and such related matters as may be referred to the committee by the Board within the limits and powers as specified herein.
- 5.2 The Committee shall from time to time review the criteria applicable to the various grades of membership of the MloD and, when considered appropriate, recommend changes, which will, if supported by the Board, only become effective after the adoption of a constitutional amendment.

- 5.3 The Committee shall, at least annually, review and recommend to the Board the fees payable by applicants for membership of the MloD annual subscriptions payable for each category of membership as well as a policy for pro-rating.
- 5.4 The Membership Executive shall review all incoming applications and/ or exclusion of membership and determine the category to which applicants will be admitted subject to payment of the applicable fees. When an application raises questions re the application criteria, the MNC will be consulted and will take the final decision for admission, prolongation or exclusion of a member.
- 5.5 The Committee shall, upon application by a member, determine whether or not to permit such a member to continue membership of the MloD as a retired member in accordance with the provisions contained in the constitution of the MloD.
- 5.6 The Committee shall consider nominations received for the election of Distinguished Fellows of the MloD and make an appropriate recommendation to the Board.
- 5.7 Should members of the MloD fall into arrears with any amounts due in respect of their membership, the committee shall recommend to the Board any suspension or termination of the membership of the defaulter.
- 5.8 All persons admitted to membership shall be entitled to receive a certificate evidencing such and this certificate shall be signed jointly by the chairperson of the Board and the CEO.
- 5.9 The Committee shall make recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board in general and the balance between executive and non-executive directors appointed to the Board.
- 5.10 The Committee shall review and make recommendations to the Board on the nomination procedures, detailed in the Rules and Regulations of the MloD.
- 5.11 The Committee shall regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.
- 5.12 The Committee shall be responsible for identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise, as well as put in place plans for succession, in particular for the Chairperson and the CEO.
- 5.13 The Committee shall recommend directors who are retiring by rotation, for re-election.
- 5.14 The Committee will have due regard to the principles of governance of the Constitution of the MloD and code of best practice.
- 5.15 The Committee will liaise with the Board in relation to the preparation of the committee's report to members, as required.
- 5.16 The chairperson (or in his/ her absence, an alternative member) of the Committee shall attend the Annual General Meeting and be prepared to answer questions concerning the appointment of executive and non-executive directors.
- 5.17 The Committee shall make recommendations to the Board on all matters under the scope of duties of the Committee as outlined under Paragraph 1 above.
- 5.18 The Committee shall make recommendations to the Board on all corporate governance provisions to be adopted so as to enhance compliance with prevailing governance principles and practices.

- 5.19 The Committee shall make recommendations to the Board on the applicability and reporting on each of the Principles of the Code and to ensure that the disclosure requirements of the MloD with regard to corporate governance are in accordance with the principles of the applicable Code.
- 5.20 The Committee shall report any breach of the Code to the Board.
- 5.21 The Committee shall review any statements on ethical standards or requirements for the MloD and assist in developing such standards and requirements.
- 5.22 The Committee shall give recommendations on situations involving any breach of the Code of Conduct of the MloD and published policies by the officers and Directors of the MloD.
- 5.23 The Committee shall propose and review annually the Corporate Social Responsibility Plan of the MloD (including the CSR budgets).

## **6. REPORTING RESPONSIBILITIES**

- 6.1 The Chairperson of the Committee will regularly report to the Board of Directors about the Committee activities and issues that arise.
- 6.2 The Chairperson of the Committee will report annually to the members, describing to the Committees' composition, responsibilities and how they were discharged, and any other information required.

## **7. OTHER RESPONSIBILITIES**

- 7.1 Perform other activities related to these Terms of Reference as requested by the Board of Directors.
- 7.2 Review and assess the adequacy of the Terms of Reference of the Committee annually, requesting the Board's approval for proposed changes and ensure appropriate disclosure as may be required by law or regulation.
- 7.3 Confirm annually that all responsibilities outlined in these Terms of Reference have been carried out.
- 7.4 Evaluate the Committee's and individual members' performance at least annually.