



# CORPORATE GOVERNANCE

EVACO LTD  
(The “Company”)

CHARTER  
Corporate Governance  
(Nomination And Remuneration) Committee  
(the “Committee”)

## **ROLE AND RESPONSIBILITIES**

In accordance with the recommendations contained in the Code of Corporate Governance, the Board of Directors of Evaco Ltd (the ‘Company’) established a Corporate Governance Committee that also includes the Nomination and Remuneration Committee (the ‘Committee’).

### **The purpose of the committee is :**

- To assist the Board of Directors in fulfilling its responsibilities to apply the principles of good corporate governance and to ensure that prevailing corporate governance practices are followed.
- To review the structure, size and composition of Board and to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.
- To ensure that Directors and Senior Officers are adequately remunerated.

## **1. MEMBERSHIP**

1.1. The Committee shall comprise at least three (3) Directors. A majority of the members of the Committee shall be non-executive Directors.

1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO (in the even he is not a member), the head of human resource or any other executive and external advisers may be invited to attend for



all or part of any meeting, as and when considered appropriate and necessary.

1.3. Appointments to the Committee are made by the Board of Directors of the Company.

1.4. The tenure of office of a member shall be for a period of two years, extendable at the option of the Board.

1.5. The Board shall appoint the Committee Chairperson who should be an independent nonexecutive Director. In the absence of the Committee Chairperson, the remaining members present shall elect one (1) of themselves to chair the meeting. The Chairperson of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairpersonship.

#### **Corporate Governance (Nomination and Remuneration) Committee**

Philippe de Bragard Hardy (Chairman)

Philip Patrick Arnaud Mayer

Mathieu Meur

## **2. SECRETARY**

2.1. The Company Secretary or its nominee shall act as the Secretary of the Committee.

## **3. QUORUM**

3.1. The quorum necessary for the transaction of business shall be two (2) members present throughout the meeting who shall vote on the matter for decision.

## **4. FREQUENCY OF MEETINGS**

4.1. The Committee shall meet at least twice a year.

## **5. NOTICE OF MEETINGS**

5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson or any other member of the Committee.



5.2. Unless otherwise agreed, notice of each meeting together with the agenda of items to be discussed shall be forwarded to each member of the Committee and any other person required to attend no later than three (3) working days before the date of the meeting.

## **6. MINUTES OF MEETINGS**

6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2. Draft minutes of Committee meetings shall be circulated as promptly as possible to the Chairperson of the Committee for validation and to all members of the Committee thereafter.

6.3. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson or any other member of the Committee. The minutes shall then be submitted for approval at the next Committee and signed by the Chairperson and Secretary of that Committee

## **7. Annual Meeting & Communication with stakeholders**

7.1. The Committee Chairperson should, shall the company have more than one ordinary shareholder, attend the annual meeting of shareholders to answer any shareholder questions on the Committee's activities or concerning the appointment of Directors.

## **8. DUTIES**

The Committee should carry out the duties below for the Company and its subsidiaries as appropriate:

8.1. In its role in ensuring good corporate governance, the Committee shall:

8.1.1. Determine and develop the Company's and the group's general policy on Corporate Governance in accordance with the National Code of Corporate Governance for Mauritius (the "Code").

8.1.2. Prepare and review the corporate governance report to be published in the



Company's annual report and recommend its adoption to the Board.

8.1.3. Ensure that disclosures on corporate governance are made in accordance with the principles of the Code.

8.1.4. Monitor and address issues of noncompliance to the Code.

8.1.5. Review any statements on business conduct and ethical standards or requirements for the Company and assisting in developing such standards and requirements.

8.1.6. Ensure compliance with the requirements of the Constitution, laws, and regulations of any other applicable statute and of controlling bodies.

8.1.7. Identify any violations of ethical conduct.

8.1.8. Give recommendations on any potential conflict of interest or questionable situations of a material nature.

8.2. The Committee shall, in its role as Nomination Committee:

8.2.1. Review and oversee the appointment procedures of the Directors of the company and its subsidiaries for recommendation to their respective Boards of Directors and approval by the Shareholders.

8.2.2. Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.

8.2.3. Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

8.2.4. Keep under review the leadership needs of the Company, both executive and



non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place.

8.2.5. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

8.2.6. Be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

8.2.7. Before any appointment is made by the Board, evaluate the balance skills, knowledge, experience, and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

8.2.8. For the appointment of a Chairperson, the committee should consider preparing a job specification.

8.2.9. Prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result

8.2.10. Ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them.

8.2.11. Ensure regular performance evaluation of the Board at least every two (2) years. Performance evaluation should help to assess whether the non-executive Directors are spending enough time to fulfil their duties.

8.2.12. Review the results of the Board performance evaluation process that relate to the



composition of the Board. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

8.2.13. Work and liaise as necessary with any other Board committee.

8.2.14. Make recommendations to the Board concerning:

- The appointment of any director.

- Formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairperson and Chief Executive. Membership of the Audit and Risk committee and any other Board committees as appropriate, in consultation with the Chairperson of those committees.

- The re-election by shareholders of directors or the retirement by rotation provisions in the Company's constitution, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

- Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract.

8.3. In its role as Remuneration Committee for non-executive Directors, the Committee shall:

8.3.1. Have responsibility for setting the remuneration policy for all executive directors and the Company's Chairperson, including pension rights and any compensation payments. The Board shall determine the remuneration of the non-executive directors. No director or senior manager shall be involved in any decisions as to their own remuneration.

8.3.2. Recommend and monitor the level and structure of remuneration for senior management.



8.3.3. Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principles of the Code and associated guidance. The objective of the remuneration policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully Without paying more than is necessary, having regard to views of shareholders and other stakeholders.

8.3.4. Review the on-going appropriateness and relevance of any remuneration policy.

8.3.5. Within the terms of the agreed policy and in consultation with the Chairperson and/or CEO, as appropriate, determine the total individual remuneration package of each executive director, the Company Chairperson and other designated senior executives including bonuses, incentive payments and share options or other share awards.

8.3.6. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys, or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.

8.3.7. Be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the committee.

8.3.8. Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.

8.3.9. Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

8.3.10. Oversee any major changes in employee benefits structures throughout the Company or group.



8.3.11. Review and agree on the policy for authorising claims for expenses from the directors.

8.3.12. Work and liaise as necessary with all other Board committees.

## **9. Reporting responsibilities**

9.1. Each Board member has unrestricted access to all committee meetings and records.

9.2. The Committee Chairperson, or any member in the absence of the Chairperson, shall report to the board on matters discussed at the Committee and inform the Board of the action it has taken as well as any major developments of which it becomes aware.

9.3. The Committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.

9.4. The Committee shall produce a report to be included in the annual report about its activities. Where an external search agency has been used in the process to make appointments, it might be identified in the annual report and a statement made as to whether it has any connection with the Company.

9.5. The Committee shall ensure that provisions regarding disclosure of information are fulfilled. If the Committee has appointed remuneration consultants, the Company's remuneration policy would identify such consultants and state whether they have any other connection with the Company.

9.6. Through the Chairperson of the Board, ensure that the Company maintains contact as required with its shareholders and other stakeholders about remuneration.

## **10. Remuneration**

10.1. Members and Chairperson of the Committee are entitled to receive remuneration as agreed by the Board of Directors. Such special remuneration shall be in addition to the annual fees payable to Directors.



## **11. OTHER MATTERS**

The Committee shall:

11.1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

11.2. Be provided with or be encouraged to avail for appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

11.3. Give due consideration to laws and regulations, the principles of the Code and any other applicable rules, as appropriate.

11.4. Arrange for reviews of its own performance as often as deemed necessary, and at least every three years, and review its Charter as required to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12. AUTHORITY**

12.1. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

## **13. INTERPRETATION**

13.1. In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Board shall be decisive.



*Chairperson of the Board*



*Chairperson of the Corporate  
Governance Committee*