



# Board Charter Version 1.4

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## 1. Introduction

Board members (collectively referred to as “the Board” or “Board”) are the link between the shareholders and the operating entity, that is, Warwyck Phoenix VCC (hereinafter referred to as “the VCC”).

They are collectively responsible to lead and control the organisation to enable it to attain its strategic objectives and will exercise leadership, enterprise, integrity and judgment in directing the VCC.

The Board is ultimately accountable to the shareholders.

The VCC should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified. The broad responsibilities of the Board are to:

-  Set the VCC’s vision, mission and values;
-  Set the objectives and determine the strategies, policies and performance measurements of the VCC to achieve those objectives;
-  Monitor and evaluate the implementation of strategies, policies and performance measurements;
-  Identify and assess key risk areas of the VCC and ensure measures are taken to mitigate those risks;
-  Ensure that effective internal controls systems are in place to safeguard the VCC’s assets;
-  Ensure compliance with laws and regulations and best practice in risk management, corporate governance and disclosure;
-  Appoint internal and external auditors and assess auditors’ work;
-  Oversee the collation, production and approval of the annual report;
-  Approve important capital investments of the VCC;
-  Approve new investments made by the VCC;
-  Appoint senior management and directors, set their remuneration and evaluate their performance;
-  Ensure effective communication with shareholders and other key stakeholders.

In order to meet all the legal and regulatory requirements and effectively discharge its duties, the Board may delegate some of its functions to board committees. The Board may also delegate specific assignments to directors or other parties on important matters requiring significant and specific expertise.

Delegation does not discharge the Board from its duties and responsibilities including, but not limited to, its fiduciary duties and responsibilities under the Companies Act 2001.









## 2. Board Composition

The Board should be composed of at least five (5) directors and should not exceed eleven (11) directors. The Board should have a mix of independent, non-executive and executive directors and should have a Chairperson who must be independent. The Chief Executive Officer (CEO) of the VCC shall be a member of the board.

In line with the National Code of Corporate Governance for Mauritius (the “Code”), the Board should have at least two (2) independent directors and at least two executives as members. In the event that the Board has less than two independent directors, an explanation should be provided in the corporate governance section of the annual report.

## 3. Chairperson

The members of the Board shall elect by simple majority a Chairperson who shall be a non-executive and an independent director with expertise and experience in the field of financial services. The Chairperson must neither be involved in the management nor be a full-time employee of the VCC. The Chairperson should devote sufficient time to the VCC to enable the Board to diligently discharge its duties and responsibilities. The main roles of a Chairperson shall be to:

-  Preside over the Board meetings, encourage equal and fair participation of all directors in Board matters and mediate differences of opinion;
-  Participate in the nomination of directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise;
-  Evaluate the performance of directors collectively and individually on an annual basis;
-  Guide the Board and senior management in preparing the agenda and minutes on the Board meetings and monitor the implementation of Board resolutions with the assistance of the Company Secretary;
-  Ensure adequate succession planning for the directors and management;
-  Ensure that all relevant information on financial and operating matters are placed before the Board to enable directors to reach informed decisions;
-  Ensure adoption of good corporate governance practices;
-  Maintain relations with the shareholders of the VCC and ensure that information is clearly communicated to them through appropriate disclosure mechanisms

#### **4. Executive Directors**

- The Board shall appoint at least two (2) executive directors to whom some functions of the Board will be delegated. One of the executive directors shall be the Chief Executive Officer who will be appointed by the Board and whose responsibility amongst others will be to:
- Develop and recommend to the Board a long term strategy and vision for the VCC that would generate adequate shareholder value;
- Develop and recommend to the Board annual business plans and budgets that support the long term strategy of the VCC;
- Provide to the Board all relevant financial and operating information to enable them to assess the VCC's performance;
- Strive to achieve the VCC's financial and operating objectives;
- Serve as the spokesman for the VCC on all operational issues, further to discussion with the Board on the division of responsibilities for communication with shareholders and other stakeholders;
- Create and maintain work climate that is conducive to attracting, developing and retaining quality employees at all levels of the VCC;
- Ensure working conditions that offer equal opportunity for all employees to deliver services in line with the VCC's strategy, policies and objectives;
- Ensure implementation of all corporate and brand values of the VCC and incessant adherence to these values by all employees; and
- Ensure implementation and adherence to all policies and procedures of the VCC.

## 5. Company Secretary

To ensure the smooth functioning of the Board meetings and its Committees meetings, the Board shall appoint a Company Secretary to:

- Assist the Chairperson of the Board in preparation of the Board meetings, information gathering and other issues that may facilitate smooth dispensation of the Chairperson's duties;
- Keep accurate and up to date minutes and records of the Board and the Board committee meetings;
- Advise board members about board procedures together with the legal and regulatory framework for Mauritius; and
- Ensure that all related party transactions, conflicts of interest and statutory board returns are recorded accurately and timeously.

## 6. Director Appointment Procedures

*As per the Code, "there should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender)."*

Directors will be elected or re-elected every year at the annual meeting of shareholders. Directors' retirement should be staggered whenever practically possible to ensure continuity. Proper succession planning shall be a priority for the board.

All members of the Board should be individuals of integrity and, collectively, should bring a blend of knowledge, skills, objectivity and experience to the Board to enable it to carry out its functions effectively. Directors will be nominated provided they meet the criteria set by the VCC, and in accordance with the Financial Services Act 2007 of Mauritius on matters related to fit and proper person requirements. Directors shall be appointed in the manner as provided in the VCC's Constitution.

## 7. Directors Duties, Remuneration and Performance

In accordance with the Companies Act 2001 and the Code, directors should act in good faith and make and enact informed decisions and policies in the best interests of the VCC. They

have a responsibility to carry out their duties diligently, in an honest manner, with reasonable competence and act within the scope of their authority.

They must consistently attend Board meetings and devote sufficient time to ensure familiarity with VCC's business and environment. Directors should ensure observance of confidentiality provisions of non-public information disclosed to them. They must act in a manner which enhances and maintains the reputation of the VCC at all times.

The Board shall ensure clear demarcation of duties, responsibilities and authorities between the Board and the management. To that end, the Board shall clearly define and communicate the CEO's job description, limits of management responsibility and performance metrics for assessing CEO's effectiveness in achieving the corporate objectives set by the Board. The CEO, together with the Board, is responsible for the VCCs' performance. The Board will be responsible for determining the strategy of the VCC and for measuring performance against that strategy.

The board shall have a clear policy and set guidelines for determining the remuneration of executives, directors and key employees. The remuneration should be aligned to the VCC's financial performance, market conditions and relevant regulatory guidelines.

## **8. Board Committees**

Pursuant to the Code of Corporate Governance of Mauritius, the Board is ultimately responsible and accountable for the performance and affairs of the organisation.

Committees are a mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board. However, delegating authority to Board committees or management does not in any way absolve the Board of its duties and responsibilities. Board committees should be transparent to the Board and practice full disclosure by submitting to the Board the minutes of proceedings of their meetings which shall be tabled to the Board. The Board has responsibility for establishing committees appropriate for its purposes. The roles and responsibilities of each Board committee should be included in the corporate governance section of the annual report.

All organisations should have, at a minimum, an Audit Committee. All Board committees should have at least three members, and the majority should be non-executive and where possible, independent. In the case of the Audit Committee, the majority of the members should be independent.

Board committees are comprised of the members of the Board and other attendees such as subject matter experts and consultants where deemed necessary. From time to time other senior management officers of the VCC may also be in attendance.

The terms of reference of Board committees are attached in Appendices 1 to 2.

The composition of the committees will be reviewed at least once a year to ensure the balance of specialist skills, independence and experience.

Directors undergo an independent evaluation every two years to assess the collective effectiveness of their respective committees. In addition, the Chairperson will appraise the effectiveness of each of the committees which shall be tabled and approved by the Board. The evaluation exercise may also be delegated to an independent third party.

## **9. Board meetings**

The Board shall meet at least four times during each financial year.

Board meetings shall be convened by the Chairperson, as scheduled or at the request of one or more directors, or if requested by a director to do so, by the secretary. Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously.

The meeting will be presided over by the Chairperson or, in his absence, by a director designated by the Chairperson. The quorum shall be two directors. Resolutions shall be passed by a simple majority vote. If a resolution by majority consensus cannot be reached, the Chairperson may defer the decision pending further consultation and discussion. The minutes of proceedings of each meeting shall be tabled and approved at the next Board Meeting. Formal approval will occur at the following meeting as evidence that the resolutions have been adopted.

## **10. Conflict of interest**

Directors must avoid instances that may give rise to conflicts of interests. The conflict of interest includes but is not limited to instances in which a particular director's business or personal interests outside the VCC may be in conflict with the VCC's interests.

It is each director's personal responsibility to apprise the Board members in writing of any actual or potential conflict of interest. A conflict of interest register will be kept by the Company Secretary which will be reviewed and updated if necessary at the beginning of each board meeting.

In instances of an actual or potential conflict of interest, the concerned director shall not participate in the discussions and/or decision making process on the transaction in relation to which conflict arises. The transaction may, however, be concluded and approved at market terms and conditions. The fact that conflicts of interest have been effectively managed should be noted in the annual report.

Related party transaction will also be disclosed in accordance with disclosure



requirements and accounting policies and standard.

### **11. Confidentiality & non-disclosure**

Directors must not disclose the confidential information relating to the VCC to any person outside the Board without the authority of the Board.

In line with the Companies Act 2001, directors are not permitted to use in any manner the confidential information that they may have learned by the nature of their role as one of the directors of the VCC to further their own personal interests or interest of their associates outside the activities of the VCC.

### **12. Non-Competition**

Directors shall not advise, or hold any equity in, or have executive or non-executive influence, directly or through representatives, in any organisation, commercial or not for profit, that is in direct competition with the VCC or pursues political, social or business agenda that is contrary to the VCC's interests, without prior and express written approval of the Board.

### **13. Insurance**

Director liability insurance will be provided for each director for the length of their tenure on the board. This will be renewed annually.

### **14. Charter Review**

The above outlined Board's Charter will be reviewed annually or as may be required with the introduction of or amendment to laws, regulations and practices.

## **APPENDIX 1: AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE**

### **A. COMPOSITION**

The Audit and Risk Committee shall be elected by the Board and shall be made up of at least three (3) directors, two of whom must be independent directors; and shall serve from the time of their appointment until the date of the next annual meeting. The quorum shall be two members. The Chairperson of the Board shall not be the chairperson of the Audit Committee. Audit Committee meetings are attended by its members and by one **executive director**. The internal auditor and external auditor(s) may attend as and when required. All the members should have the appropriate level of financial knowledge, skill and competency appropriate for financial services and at least one member should have significant, relevant and recent financial expertise so as to properly assist and advise the Committee in the execution of its duties and responsibilities.

### **B. TERMS OF REFERENCE**

The Committee is authorised by the board to:

- 1) Investigate any activity within the TOR;
- 2) Seek any opinion from an independent expert should it deem necessary; and
- 3) Obtain full cooperation from any officer of the VCC in order to perform its duties

#### **a) Financial Reporting**

The Audit and Risk Committee shall provide assurance that financial disclosures made by management reasonably portrays the VCC's financial conditions, results of operations and long term commitments. To accomplish this, the audit committee shall:

- Oversee the work of the internal and external auditor;
- Critically review the draft financial and interim reports, prospectus and other financial circulars/documents;
- Consider the appropriateness of the accounting policies applied and whether they are prudent and consistent with prior practice and comply with regulations and legal requirements;
- Consider the validity of any changes in accounting treatment or disclosure by comparing with the previous year;
- Review critical accounting issues;
- Review significant estimates based on judgment which are included in the financial statements;
- Review adequacy of provisions including provision for credit impairment losses;
- Consider any difference of opinion between auditors and management on the level of provisions, on accounting treatment or on disclosure;
- Consider the quality of financial information disclosed to the shareholders and other stakeholders;

- Review the financial reporting process with a view to ensuring the company's compliance with accounting standards and financial matters and the applicable laws and regulations.
- Undertake to fully and expressly disclose any findings which could put the VCC at risk.

**b) External Audit – The Audit Committee shall undertake to:**

- Make recommendations for the appointment and retention of the external auditors;
- Review and discuss the scope of the audit and audit plan for the VCC;
- Consider differences of opinion between management and the external auditor;
- Evaluate the performance, objectivity and independence of the external auditor;
- Review the nature and extent of non-audit services provided by the external auditor;
- Obtain assurance from the auditors that adequate accounting records are maintained;
- Oversee any non-audit advisory services.

**c) Internal Audit – The Audit Committee shall undertake to:**

- Oversee the objectives of the internal audit function and the annual plan of action; Review the scope of internal audit and audit plan;
- Assess the adequacy and performance of the internal audit function and the adequacy of available resources;
- Review and report on significant matters reported by the internal auditor;
- Review and report on significant differences between Management and the internal auditors;
- Review and oversee the cooperation and coordination between the internal and external auditors.

**d) Internal Control Systems – The Audit Committee shall undertake to:**

- Oversee the systems of internal controls to ascertain its adequacy and effectiveness;
- Review and report on any previously identified material weaknesses in controls and deficiencies in system;
- If considered necessary, recommend additional procedures to enhance the system of internal controls;
- Review internal and external auditors' reports (management letter) and management's response thereto and consider status of actions taken by management;
- Identify any change necessary to the agreed audit scope or to other services as a result of any weaknesses or deficiencies revealed.

**Audit and Risk Committee Meetings shall be held as follows:**

The Audit and Risk committee shall meet at least two (2) times per year and present the minutes of the meetings to the Board.

The internal auditor and external auditor shall have unrestricted access to the chairman and any member of the committee as required in relation to any matter falling within the remit of the committee.

**Mandates & Process:**

If the board does not accept the Audit and Risk committee's recommendation especially with reference to appointment or removal of the external auditor, the committee shall include a statement explaining its recommendations and reasons why the board has taken this stance inserted in the annual report.

Where a disagreement between the board and its subcommittee cannot be resolved, the chairperson of the Audit and Risk committee shall report the matter to the shareholders as part of the report on its activities within the annual report.

The chairperson of the Audit and Risk Committee shall attend the annual meeting of the VCC.

**A. RISK MANAGEMENT**

The Audit and Risk Committee shall also focus on risk identification, evaluation, and measurement, monitoring and risk management processes. Within this scope, the Committee shall:

- Review policy for management of risks particularly in the areas of Credit, Market, Interest, Liquidity, Operational and Technological risks, namely:
  - Ensuring appropriate methodologies and systems are in place to identify and adequately assess and manage operational risks;
  - Review any legal matters pending that could have a significant impact on the VCC;
  - Oversee any decisions requiring a significant amount of judgment;
  - Review any policies which detect fraud.
- Review enterprise-wide risk, portfolio risk profile and the portfolio management plan;
- Review major cases of fraud, irregularities and any legal matters that could have a significant impact on the company's business, together with the legal advisor if necessary;
- Review and approve provisioning for, market, operational and legal issues in line with regulatory guidelines/requirements and review unusual and significant contingencies and commitments;
- Review and approve new products and services;
- Review adequacy of insurance coverage;
- Ensure adequate controls and information systems are in place to implement the VCC' policies.

## **APPENDIX 2: INVESTMENT COMMITTEE - TERMS OF REFERENCE**



### **INVESTMENT COMMITTEE CHARTER**

*Mauritius, November 2019*

*Updated on 29 March 2021 (Version 4)*

*Updated on 27 March 2024 (Version 5)*

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## 1. ADMINISTRATION

### Investment Committee

The Investment Committee (the “Committee”) shall be appointed by and shall report to the Board of Directors of Warwyck Phoenix VCC (the “Company” or the “VCC”). The Committee shall advise and assist the VCC’s Board of Directors (the “Board”) on matters relating to the investments of the sub-funds of Warwyck Phoenix VCC, hereinafter referred to as the Sub-funds. The Committee shall meet and act pursuant to such rules as it shall determine. The Committee may recommend to the Board the appointment of one or more asset manager(s) and/or investment advisor(s) and/or investment manager(s) who shall have the authority to invest, manage, or control the Sub-funds’ assets subject to the terms of their appointment, and to restrictions and specifications therein. The Investment Committee may create subcommittees to address specific issues. The Chair of each subcommittee shall be a member of the Investment Committee.

### Membership

The Investment Committee shall consist of at least three members including the Committee’s Chairperson (the “Chair”). The members, including the Chair, shall be appointed by the Board on the recommendation of the Chair. In view of the expertise required, non-members of the board shall be eligible for appointment as voting members of the Committee and are expected to possess expertise in the investment field.

## II. OBJECTIVES

The committee shall be:

- (a) Developing the investment principles and strategy of the Sub-funds of the VCC;
- (b) Monitoring investment performance;
- (c) Monitoring compliance with investment mandates;
- (d) Developing and overseeing the overall approach to investment risk management, including appropriate delegations and periodic reviews within the framework agreed by the Risk and Audit Committee;
- (e) Overseeing the implementation of the risk within the framework set by the Risk and Audit Committee and investment strategies. Maintaining and engaging in a forward-looking review of strategic risks and opportunities;
- (f) Providing oversight on the annual investment report of the VCC;
- (g) Approving and overseeing the framework for the appointment, retirement and contractual review of the asset manager(s)/investment advisor(s) and/or investment manager(s) including the assessment of appropriate knowledge and experience;
- (h) Recommending and overseeing the framework for the appointment, retirement and contractual review of the custodian to the funds for approval by the Board of Directors.

### **III. DUTIES, RESPONSIBILITIES, AND AUTHORITY OF THE INVESTMENT COMMITTEE**

#### **Long Term Investment Fund**

Develop and recommend to the Board of the VCC the investment policy and activities, including:

- Asset allocation guidelines and strategies.
- Investment guidelines and objectives.
- Selection, retention and termination of asset managers, investment advisors, investment managers and consultants, as applicable.

Review the actions results and philosophies of the VCC asset manager(s) and/or investment advisor(s) and/or investment managers on a periodic basis. The Committee shall not approve specific investments.

Evaluate the performance of the VCC's asset manager(s) and/or investment advisor(s) and/or investment managers in relation to their benchmarks and peers and report to the Board of Directors, as appropriate.

Provide oversight with respect to investment manager compliance with investment guidelines with support from the VCC's staff, and report to the Board.

### **IV. RECRUITMENT / NOMINATION PROCESS**

#### **A. Recruitment / Nomination Process for members of the Committee who are not Board members**

The Chair may appoint a sub-committee for the purpose of recruiting / nominating non- members of the Board of the VCC as members of the Committee-. The sub-committee shall comprise the VCC'S Chairperson and two current members of the Investment Committee, one of whom shall serve as chair of the sub-committee.

The process that shall be followed by the sub-committee, in recruiting and nominating non- members of the Board, is as follows:

- Determine the needs of the Investment Committee in terms of experience and background (e.g. equity vs. fixed income, institutional vs. plan sponsor, U.S. vs. Non-U.S.).
- Solicit input from current Investment Committee members with respect to qualified candidates.
- Identify a primary candidate who is then interviewed by at least two members of the sub-committee. The candidate's professional references are checked as appropriate.
- Obtain the consensus of the sub-committee that the candidate's name should be brought forward for discussion / consideration by the Investment Committee.
- The Investment Committee shall recommend a candidate to the Board.
- The Board proceeds with the appointment of the nominee as a new member of the Investment Committee for an initial two-year term and which shall be renewable at the discretion of the Board.

#### **B. Nomination Process for Chair and Vice Chair**

When nominating candidates for the positions of Chair and Vice Chair of the Investment Committee, the Board



shall suggest a slate of candidates for the Investment Committee to consider. The Investment Committee votes to recommend these candidates for the positions of Chair and Vice Chair. Thereafter, the Board approves the appointment of the nominees to the positions of Chair and Vice Chair.

## **V. CONFLICT OF INTEREST**

Conflict of Interest is applicable to all Committee members who are serving the Company in some capacity. The following guidelines are intended to be more specific to the activities of the Investment Committee, and to strengthen and support the principles embodied, which is provided to Investment Committee members on an annual basis.

### **Guidelines:**

- A. In all instances regarding potential conflicts of interest, materiality should be considered.
- B. If a member has either a direct or indirect personal interest in any item under the purview of this committee, it should be disclosed to the next higher authority as appropriate.
- C. In cases where new business may be awarded to a firm in which a member has either a direct or indirect personal interest, the member should excuse himself / herself from the meeting, and refrain from voting.
- D. Conflict of interest disclosure will be included as a standard committee agenda item for every meeting. The Committee Chair will remind the members at the beginning of every meeting of their obligation to disclose any conflict or potential conflict with regard to any agenda item for consideration at that meeting.
- E. Where there is a conflict, the Committee must give priority to the duties to and interest of the VCC and ensure that the interest of the VCC is not adversely affected by the conflict.
- F. All identified conflicts will be recorded as well as the action taken to identify and manage the conflict, in accordance with the investment policy.

## **VI. REPORTING TO THE BOARD**

- The minutes of all Committee meetings will be distributed at the next meeting of the Board of the VCC.
- The Chair of the Committee will provide a report to the Board on matters discussed at the Committee.

## **VII. REVIEW**

- This Charter will be reviewed by the Board of the VCC annually for ongoing relevance and effectiveness. Any material change to this Charter must be tabled and approved by the Board of Directors before they come into effect.