

# AFRICA CLEAN ENERGY SOLUTIONS LIMITED

## **CORPORATE GOVERNANCE COMMITTEE including Remuneration and Nomination (Hereinafter referred to as “the Committee”) CHARTER**

In accordance with the National Code of Corporate Governance for Mauritius (2016), there shall be constituted a Corporate Governance Committee, which will act as a mechanism for making recommendations to the Board on all corporate governance provisions, nomination and remuneration matters to be adopted so that the Board remains effective and complies with prevailing corporate governance principles.

### **1. MEMBERSHIP**

1.1. The Committee shall comprise of not less than three directors. A majority of the members of the Committee shall be independent non-executive directors. Members of the Committee shall be appointed by the Board.

1.2. The Board shall appoint a Chairperson from the independent non-executive members of the Committee. The Chairperson of the Board shall not be eligible to be appointed as Chairperson or member of the Committee. .

1.3. The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

1.4. Only members of the Committee have the right to attend committee meetings. However, other individuals such as the CEO, senior executives and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

1.5. The term of office shall be for a period of up to three years. Members may thereafter be re-appointed by the Board, for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

1.6. The Committee shall nominate a Committee Secretary.

1.7. The quorum necessary for the transaction of business shall be two members at least one must be an independent non-executive director.

### **2. MEETINGS**

2.1. The Committee shall meet at least once a year, and otherwise as required.

2.2. Outside of the formal meetings, the Committee Chairperson will maintain a dialogue with key individuals involved in the Company’s governance, including the Board Chairperson, the CEO, and other senior executives. The Committee Chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

2.3. Meetings shall be convened by the Secretary of the Committee at the request of any of its members if they consider it necessary. Reasonable notice of meetings and the business to be conducted shall be given to the members requested to be in attendance.

2.4. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance. Once approved minutes should be circulated to all other members of the Board.

2.5. The Committee Chairperson may attend the annual general meeting to answer shareholder questions on the Committee's activities.

2.6. The Committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, and make recommendations to the Board on any matter it deems appropriate where action or improvement is needed.

### **3. RESPONSIBILITIES OF THE COMMITTEE**

The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate.

#### **3.1. In relation to Corporate Governance the Committee will;**

3.1.1. Determine, develop and recommend to the Board the company's general policy on Corporate Governance in accordance with the Code of Corporate Governance of Mauritius.

3.1.2. Ensure that the reporting requirements on Corporate Governance, on an ongoing basis, are in accordance with the principles of the Code.

#### **3.2. In relation to Ethics the Committee will;**

3.2.1. Ensure that an adequate process is in place for the Board and senior management to comply with the Group's Code of Ethics.

3.2.2. Periodically review and evaluate the effectiveness of the Group's Code of Ethics.

3.2.3. Monitor the ethical conduct of the Group, its executives and senior officials.

3.2.4. Review and recommend the implementation of structures and procedures to facilitate the Board's independence from management.

3.2.5. Give recommendations on any potential conflict of interest or questionable situation of a material nature.

3.2.6. Develop Charters for any new Committees established by the Board and review the Charters of each existing Committee and recommend any amendments or elimination to the Charters or Committees.

3.2.7. Review all related party transactions and situations involving Board members and refer where appropriate to the Board or the shareholders general meeting.

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

**3.3. In relation to Nominations the Committee will;**

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

3.3.2. Give consideration to succession planning for directors and senior executives, taking into account the challenges and opportunities facing the Group, and future expertise needed.

3.3.3. Keep under review the leadership needs of the Group both executive and non-executive with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.

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

3.3.5. Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position.

3.3.6. 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 in a conflict of interest.

3.3.7. Ensure that on appointing to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.

3.3.8. Make recommendations for membership of the Audit and Risk Committee and Investment Committee, and any other Board Committees as appropriate in consultation with the Chairperson of those Committees to the Board.

3.3.9. Make recommendations for the re-election, by shareholders, of directors or the retirement by rotation, 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.

**3.4. In relation to Remuneration the Committee will;**

3.4.1. Within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management, including bonuses, incentive payments and share options or other share awards.

3.4.2. Ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Group and alignment to the Group's long term strategic goals.

3.4.3. Review the on-going appropriateness and relevance of the Remuneration Policy.

3.4.4. Oversee any major changes in employee benefits structures throughout the Group.

3.4.5. Agree the policy for authorising claims for expenses from the directors.

#### **4. AUTHORITY**

4.1. 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

4.2. The Committee shall arrange for periodic reviews of its own performance

4.3. The Committee shall at least annually, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

Approved by:

Chairperson of Committee

Chairperson of Board