

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

BOARD CHARTER

This Charter sets out the rules of conduct of Board members of Africa Clean Energy Solutions Limited (“ACES”) and the commitment of the Board of Directors to ensuring that the company’s governance processes and structures comply with the Mauritius Code of Corporate Governance and international best practice.

This Charter also defines the mission statement and corporate objectives of ACES.

The Code of Corporate Governance for Mauritius recommends the disclosure of the Board Charter on the organization's website and that a statement that the Board has approved its Charter to be included in the corporate governance section of the Annual Report.

The Board Charter sets out the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of ACES.

These provisions are complementary to the requirements regarding the Board and Board members contained in the articles of association of the group and the provisions governing the relationship between the Committees and the Board as contained in the Charters of the Committees which have been adopted by the Board.

MISSION STATEMENT

We undertake to develop, own and operate clean energy power plants throughout Africa.

We strive to become a significant independent provider of clean energy; and at the same time make a positive impact on people’s lives.

In pursuance of our mission, we endeavour to create a cleaner environment, while offering a sustainable return to our investors.

1. MEMBERSHIP AND TERM

2.1. After consultation with the Corporate Governance Committee, the Board determines the number of Board members. The Board shall have a minimum of five and a maximum of eight members.

2.2. The Board shall use its best efforts to ensure that:

- i, its members can act independently of one another;
- ii, each Board member can assess the broad outline of the organisation’s overall position;
- iii, each Board member has sufficient expertise to perform his or her role as a Board member;
- iv, at least one Board member is a financial expert, meaning he/she has expertise in financial administration and accounting for companies similar to the group in size and sophistication;
- v, the Board has at least two Executive members;

vi, no less than three of the Board members are independent as defined in 2.2.1 below.

2.2.1. An independent director is a Board member who:

i, has not been an employee of the group within the past three years;

ii, has not, or has not had within the past three years; a material business relationship with the group either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the group;

iii, has not received or receive additional remuneration from the group apart from a director's fee or as a member of the group's pension scheme;

iv, is not a nominated director representing a significant shareholder;

v, does not have close family ties with any of the group's advisers, directors or senior employees;

vi, does not have cross-directorships nor significant links with other directors through involvement in other companies or bodies;

vii, has not served on the Board for more than nine years from the date of his first election.

2.3. A Director (excluding the Executive Directors) shall remain in office for a maximum of six years; at the next Annual Meeting following the expiry of this period, such Director shall retire from office but shall be eligible for re-appointment.

2.4. The Chairperson shall be elected by the Board, and is primarily responsible for the activities of the Board and its committees. The Chairperson shall act as the spokesman for the Board and is the principal contact for the Chief Executive Officer (CEO). The CEO and the Chairperson shall meet regularly. The Chairperson of the Board presides over the annual meeting of shareholders.

2.4.1. The Chairperson ensures that:

i, the Board receives all information necessary for it to perform and satisfy its' duties;

ii, the Board meetings are chaired in an effective manner;

iii, minutes of Board and Committee meetings are kept;

iv, the Committees function properly;

v, the performance of the Board members is evaluated every year, and they address any problems;

vi, internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed;

vii, the Board has proper contact with the Executive members;

2.5. The Company Secretary ensures that the Board follows correct procedures and complies with its obligations under law and the group's articles of association. The Company Secretary shall assist the Chairperson of the Board in organizing the Board's activities (including providing information, preparing an agenda, and reporting of meetings).

2.6. Members of the Board shall limit their other positions so as to ensure they can perform their duties as members of the Board. The letter of appointment to non-executive directors shall clearly state the number of days work expected per year.

2.7. Board members must inform the Chairperson of the Board and the Company Secretary of their other positions which may be of importance to the group or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with this charter. The Company Secretary shall keep a list of the outside positions held by each Board member.

3. DUTIES AND RESPONSIBILITIES

3.1. The Board oversees the general business of the group. The entire Board is responsible for such supervision and oversight.

3.2. The Board shall act in the best interests of the group and its business, taking into consideration the interests of the group's shareholders and other stakeholders.

3.3. The Board is responsible for the quality of its own performance.

3.4. As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in harmony with respect to important affairs and matters of principle.

3.5. The Chairperson, the Company Secretary and the CEO shall see to it that the management, in a timely manner, provides the Board and its Committees with the information they need to properly function.

3.6. The Board and its individual members each has responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the organisation.

3.7. Each member of the Board has access to the books and records of the group, if useful to perform his or her duties. Unless the charter of a Committee states otherwise, Board members shall consult with the Chairperson of the Board and the Company Secretary before exercising their rights under this provision.

3.8. The Board may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board and shall be paid by the group. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.

3.9. The Board, in exercising its duties regarding the supervising of management, shall consider:

i, the achievement of the group's objectives;

ii, the strategy and risks in the group's activities;

iii, the structure and operation of the internal risk management, and audit and control systems;

iv, the financial reporting process;

v, compliance with law and regulations.

3.10. At least once a year, the Board shall discuss the group's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

3.11. With regard to the members of the Board and Board performance, the Board shall consider (in consultation with appropriate Committees):

i, the nomination of members of the Board (the appointment is made by the annual meeting of shareholders) and proposals to the annual meeting of shareholders for the compensation of members of the Board;

ii, the determination of the number of Board members, the appointment of a Chairperson, the establishment of Committees and defining their roles, the evaluation of the Board, its individual members and its Committees;

iii, addressing any conflicts of interest issues between the group and members of the Board.

3.12. At least once a year, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board and its Committees.

3.13. With regard to the establishment of Committees, the Board shall:

i, establish an Audit and Risk Management Committee, a Corporate Governance Committee, including Nomination and Remuneration Charters and an Investment Committee. The Board may appoint Committees from among its members to perform specific tasks. The Board shall determine the members of any Committee.

ii, remain collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.

iii, as set forth in the charter of the Committee concerned, receive a report from the Committee describing the Committee's actions and findings. Each Board member has unrestricted access to all Committee meetings and records.

iv, establish (and may amend) charters for each Committee. The charters shall indicate the role and responsibilities of the Committee, its composition and how it should perform its duties.

3.14. With regard to the External Audit and Financial Reporting, the Board shall:

i, in consultation with the Audit Committee, review the procedures for the preparation and publication of the annual report and accounts, the quarterly reports and any other financial information.

(a) the annual report describes the group's activities in the financial year, and contains the statements and information required by law and the group's articles of association.

ii, through the Audit Committee supervise the internal control and audit mechanisms for external financial reporting.

iii, regularly receive updates on the annual report and accounts. The quarterly financial reports of the group for the respective period just ended shall be discussed in a meeting with the Board within two months of the end of the period.

iv, ensure that the external auditor attends the meeting of the Board at which the audit report of the annual accounts is discussed and approved by the Board.

v, ensure that the Board's principal contact with the external auditor is through the Chairperson of the Audit Committee, including if any irregularities in the financial reports are discovered.

vi, consider and, if accepted, action any recommendations made by the external auditor. This will include recommendations on the group's internal controls, as expressed in the 'management letter'.

vii, nominate a candidate for appointment of external auditor at the annual meeting of shareholders based on a transparent and competitive selection process, and may recommend replacement of the existing external auditor. The Audit Committee shall advise the Board on such matters.

3.15. The Corporate Governance Committee shall annually prepare a remuneration report setting out the compensation policies and activities of the past year and an overview of the compensation policy and planned activities for the next financial year and subsequent years.

3.16. The remuneration policy planned for the next financial year and subsequent years shall be submitted to the annual meeting for its approval.

3.17. The Board shall determine the compensation of the executive and non-executive Board members on a proposal by the Corporate Governance Committee and within the terms of the remuneration policy adopted by the annual meeting.

3.18. If a Board member or former Board member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report.

4. RELATIONS WITH SHAREHOLDERS

4.1. Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

4.2. The Board shall determine the date and place of any annual meeting and a record date for the exercise of the voting and any other rights attached to the group's securities at such meeting. The Board shall use its best efforts to provide shareholders with all information necessary or requested for the shareholders to properly act at the annual meeting.

4.3. The Board shall ensure all laws are complied with, regarding the rights of the annual meeting and of individual shareholders.

4.4. The Chairperson shall ensure that (unless there are important reasons) all the members of the Board shall attend the annual meetings.

4.5. A resolution of the annual meeting shall be publicly disclosed only through a statement from the Chairperson of the Board or the Company Secretary.

4.6. Any substantial change to the corporate governance structure of the group shall be submitted to the annual meeting for discussion under a separate agenda item.

5. BOARD MEETINGS AND DECISION MAKING

5.1. The Board shall meet as often as required, but not less than three times a year. Meetings shall be scheduled in advance according to an annual Board calendar. The Board shall meet earlier if deemed necessary by the Chairperson of the Board or two other members of the Board.

5.2. Meetings of the Board are called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members at least five calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairperson shall consult with the CEO prior to convening the meeting on the content of the agenda. Each Board member and the CEO has the right to request that an item be placed on the agenda for a Board meeting; provided that the item is notified to the Chairperson at least ten days prior to the meeting.

5.3. Board meetings are generally held at the offices of the group but may take place elsewhere. Meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

5.4. The CEO, even where he/she is not a member of the Board, shall attend Board meetings unless the Board instructs him not to attend. If requested by the Board, other executives shall also attend meetings of the Board in whole or in part.

5.5. A Board member may be represented at Board meetings by another Board member holding a proxy in writing. The existence of such authorization must be proved satisfactorily to the Chairperson of the meeting.

5.6. If a Board member is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.

5.7. The admission to a meeting of persons other than Board members, the CEO, the group Secretary and (if invited) other executives shall be decided by majority vote of the Board members present at the meeting.

5.8. Board meetings are presided over by the Chairperson of the Board or, in his or her absence, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.

5.9. The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

5.10. Each Board member has the right to cast one vote.

5.11. Where unanimity cannot be reached and the law, the group's articles of association or charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if the majority of the Board members are present or represented.

5.12. Resolutions of the Board are adopted at a Board meeting.

5.13. Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board members and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board members. A statement from a Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he/she does not object to this form of adoption.

5.14. The Board may deviate from the provisions of 5.11, 5.12 and 5.13 if this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances of the case, provided that all Board members are allowed the opportunity to participate in the decision-making process. The Chairperson of the Board and the Company Secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Board.

5.15. Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the Chairperson of the meeting and then added to the group's records. Each member of the Board shall receive a copy of the minutes. Each member of the Board may demand a note explaining how he/she voted or that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

5.16. A resolution adopted by the Board shall be publicly disclosed only through a statement from the Chairperson of the Board and/or the Company Secretary and/or the CEO.

6. CONFLICT OF INTEREST OF BOARD MEMBERS

6.1. A Board member shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

6.2. A potential conflict of interest exists if the group intends to enter into a transaction with a related party, and the group shall develop a policy on how to ensure that the rights of shareholders are protected during such transactions.

6.3. All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the group's business. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

7. COMPENSATION OF BOARD MEMBERS

7.1. The compensation of the Board members is determined by the annual meeting. The Board shall submit proposals on its compensation to the annual meeting.

7.2. Apart from their compensation, Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the Chairperson of the Board (costs incurred by the Chairperson of the Board shall be approved by a nominated member of the Board). Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairperson (or if it concerns the Chairperson, a nominated member of the Board).

7.3. The group does not grant personal loans, guarantees or the like to Board members, save as part of its usual business operations.

8. INDUCTION AND ONGOING TRAINING

8.1. Upon his or her election, each Board member shall participate in an induction that covers the group's strategy, general financial and legal affairs, financial reporting by the group, any specific aspects unique to the group and its business activities, and the responsibilities of a Board member.

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

9. CONFIDENTIALITY

9.1. 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 group 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 group and which he/she knows or should know to be of a confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the group and companies in which the group holds a stake who, in view of their activities for the group and companies in which the group holds a stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

9.2. 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.

9.3. If a Board member intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

10. AUTHORITY

10.1. Anyone who is appointed as a Board member must, upon assuming office, declare in writing to the group that he/she accepts and agrees to comply with the provisions of this charter. A corresponding reference to this extent is included in a governing Board member's appointment letter.

10.2. If permitted by law, the Board may occasionally decide (by unanimous decision) at its sole discretion not to comply with the provisions of this charter.

10.3. This charter may be amended by the Board at its sole discretion without prior notification, and will be reviewed annually.

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

10.5. If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.

Approval by:

Chairperson of the Board

Chief Executive Officer