

MAURITIUS HOUSING COMPANY LTD

CONDUCT REVIEW COMMITTEE CHARTER

1. Purpose

- 1.1 The primary function of the Conduct Review Committee (hereinafter referred to as 'the Committee') is to advise the Board of Directors of Mauritius Housing Company Ltd (hereinafter referred to as 'MHC' or 'the Company') on all aspects of related party transactions, and their terms and conditions. The Committee also ensures the effectiveness of established procedures and compliance with the Bank of Mauritius Guideline on Related Party Transactions.

2. Membership

- 2.1 The Committee shall comprise of at least three (3) members. The Managing Director/ Chief Executive Officer/ Officer in Charge will be in attendance.
- 2.2 Only members of the Committee have the right to attend the Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.
- 2.3 The Board shall appoint the Committee Chairperson. In the absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position.

3. Secretary

- 3.1 The Committee shall be assisted by a Secretary.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be **any two (2)** members.

5. Frequency of meetings

- 5.1 The Committee shall meet as often as necessary.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairperson of the Committee or any member of the Committee.
- 6.2 Notice of each meeting of the Committee confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers shall, other than under

exceptional circumstances, be forwarded to each member of the Committee and any other person required to attend the meeting, prior to the date of the meeting.

7. Minutes of meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 The Committee's minutes shall be circulated to the members of the Committee and to the Chairperson of the Board and may also, if the Chairperson of the Committee so decides, be circulated to the other members of the Board. Once approved and duly signed, the minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee's Chairperson.

8. Written Resolution

- 8.1 Decision may also be taken by way of written resolution signed by all members of the Committee.

9. Terms of Reference

The Committee is responsible for monitoring and reviewing related party transactions, their terms and conditions, and ensuring the effectiveness of the established procedures and compliance to the Bank of Mauritius Guidelines.

The mandate of the Committee will include the following:

- (a) Ensure that a policy on related party transactions is submitted to and approved by the Board;
- (b) Seek approval of the Board for any write-off of related party credit exposure;
- (c) Review such policy at least once a year, to ensure their continuing adequacy and submit proposed changes to the approval of the board;
- (d) Require the management of MHC to establish procedures to comply with the requirements of the Bank of Mauritius guideline;
- (e) Review the procedures periodically to ensure their continuing adequacy and enforcement, in the best interest of MHC;
- (f) Take cognizance, review and ratify each credit facility granted to related party with a view to ensuring compliance with the Bank of Mauritius Guideline and the Related party policy;
- (g) Ensure that market terms and conditions are applied to all related party transactions;

- (h) Review the practices of MHC to ensure that any transactions with the related parties that may have a material effect on the stability and solvency of MHC are identified and dealt with in a timely manner; and
- (i) Report periodically and in any case not less frequently than on a quarterly basis to the Board of directors on matters reviewed by it, including exceptions to policies, processes and limits.

10. Definition of Related Parties

The Guideline of Bank of Mauritius on Related Parties identifies the following categories of related parties:

10.1 Category 1

This includes credit exposures to:

- (a) A person who has significant interest in the Company;
- (b) A director of MHC;
- (c) A director of a body corporate that controls the Company;
- (d) The spouse, child and parent of a natural person covered in (a) or (b) or (c) above;
- (e) Any entity that is controlled by a person described in (a) or (b) or (c) or (d) above; and
- (f) Any entity in which MHC has significant interest, excluding a subsidiary of MHC as mentioned in Category 2(e) below.

10.2 Category 2

This includes credit exposures to:

- (a) Senior officers, which are outside the terms and conditions of employment contracts;
- (b) The spouse, child and parent of senior officers;
- (c) Senior officers of a body corporate that controls the Company;
- (d) Any entity that is controlled by a person described in (a) or (b) or (c) above; and
- (e) A subsidiary of the Company with no shareholder (natural person) holding directly or indirectly more than a significant shareholding in the parent Company.

10.3 Category 3

This includes credit exposures to senior officers, who are within the terms and conditions of employment contracts.

The regulatory limits for each category are defined in Section 18 of the Guideline.

In addition, as part of its internal policy, the Company considers its external auditors as related party, both at firm level and at individual level as far as partners are concerned.

10. Remuneration

10.1 Members of the Committee shall be paid such special remuneration in respect of their appointment as shall be recommended by the Board and ratified or approved by Shareholders. Such special remuneration shall be in addition to the monthly remuneration payable to Directors.

10.2. The level and structure of remuneration for the Chairperson and Members shall be determined at the Shareholders' Meeting.

11. Reporting responsibilities

11.1 The Committee Chairperson shall report to the Board on its proceedings.

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

12. Other matters

The Committee shall:

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

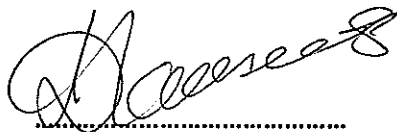
12.2 Give due consideration to laws and regulations, the principles of the Code of Corporate Governance and any other applicable rules.

12.3 Arrange for periodic reviews of its own performance and as and when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. Authority

13.1 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.

APPROVED BY THE BOARD ON03 July..... 2020



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Chairperson of the Board



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Corporate Secretary,
Prime Partners Ltd

