

CONSTANCE HOTELS SERVICES LIMITED

BOARD OF DIRECTORS CHARTER

*“The role of the Board is not merely about compliance and oversight.
It is about adding value to Corporate Performance”*

This charter applies to member companies of the Constance Group, where applicable.

Structure of the Board

- Membership of between 7 and 13 as dictated by each company’s constitution
- Chaired by a Director meeting the Company’s qualification criteria for chairmanship
- Comprising a mix of executive, non-executive and independent Directors
- Good representation of Executive Management, headed by Group Chief Executive Officer
- Key members of management to be present on invitation

Powers of the Board

- The powers of the Board are defined in sections 129/130 and 131 of the Companies Act 2001 as well as in the Code of Corporate Governance for Mauritius.

Key functions of the Board

- Determining and approving the Company’s objectives, strategy and values and monitoring implementation and performance thereof.
- Reviewing and approving financial and non-financial plans including but not limited to annual budgets, quality service standards and performance against them.
- Ensuring the establishment of an appropriate system of Corporate Governance, Risk Management, internal control, policies and compliance with laws and regulations and the ongoing monitoring of exceptions deriving therefrom.
- Approving major acquisitions and disposals of assets.
- Appointing and monitoring performance of senior management and establishing a clearly defined structure for delegation of authority and Succession.

Board Meetings

- Meetings on a quarterly basis, with additional meetings, as necessary.
- Notice of meetings and circulation of board papers to be submitted at least five days before each meeting.
- Presentation of all material financial and non-financial information.

Role of Chairman

- Manage and provide leadership to the Board of directors : take the chair at shareholders' meetings, and at board meetings
- Responsible for the Board's composition and development of directors
- Ensures effective committee structure and leadership succession
- Establishes effectual processes and distribution of information for the efficient workings of the board
- Ensures the succession planning and evaluation process for the Senior Executives of the Group and member companies.
- Ensures a solid strategic planning process, Corporate Governance and Risk Management Programmes are in place
- Ensures effective communication with shareholder

Role of Directors

- Establish vision, mission and values :
 - Determine the Company's vision and mission to guide and set goals for its current operations and future development.
 - Determine the values to be promoted throughout the Company
 - Determine and review Company goals
 - Determine Company Policies
- Set strategy and structure :
 - Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths weaknesses and risks relating to the Company
 - Determine strategic options and select those to be pursued and decide the means to implement and support them
 - Determine the business strategies and plans that underpin the Corporate Strategy
 - Ensure the Company's organisational structure and capabilities are appropriate for implementing its chosen strategies.
- Delegate to Management :
 - Delegate authority to management and monitor and evaluate the implementation of policies, strategic and business plans
 - Determine monitory criteria to be used by the Board
 - Ensure that internal controls are effective
 - Communicate with Senior Management

- Exercise accountability to shareholders and be responsible to stakeholders :
 - Ensure that communication to and from shareholders and stakeholders are effective
 - Understand and consider the interests of relevant stakeholders
 - Monitor relations with relevant stakeholders
 - Promote the goodwill and support of relevant stakeholders

Director's Profile

- Director's capacity:

Executive	- A director involved in the day-to-day management and/or in the full time employ of the Company and/or any of its subsidiaries.
Non-Executive	- A director not involved in the day-to-day management and/or not a full time salaried employee of the Company and/or any of its subsidiaries.
Independent	- A non-executive director who is not a representative of a shareholder, has not been employed by the Company in any executive capacity for the preceding three financial years and has no significant contractual relationship or interest in the Company or Group.
Alternate	- Acceptable, subject to evaluation by the Nomination and Remuneration Committee and approval of the Board.
Shadow	- Not acceptable.

Director's Regulatory Qualifications

Fit and proper in line with the requirements of the Companies Act 2001 and the Code on Corporate Governance. The minimum qualifications being any individual who is of full age and capacity and not an undischarged bankrupt.

Duties of Directors

The Directors of a company are required to act with propriety in dealing with the affairs of the company. They must accordingly:

- (i) not exceed their jurisdiction;
- (ii) act in good faith and in the best interest of the company;
- (iii) exercise the degree of care, diligence and skill which a "reasonably prudent person would exercise in comparable circumstances";
- (iv) account to the company for any monetary gain in respect of their fiduciary capacity as director;
- (v) unless authorised by the company, not make use of any confidential information acquired by way of their position as directors of the company, or compete with the company;

- (vi) not use the assets of the company for any illegal purpose;
- (vii) declare any direct or indirect interests to the meeting of directors of the company which shall be duly recorded by the Secretary of the company;
- (viii) transfer or hold as trustee until transferred all cash or assets acquired on behalf of the company;
- (ix) attend meetings of the board of directors of the company with reasonable regularity;
- (x) keep proper accounting records and make such records available for inspection.

Director's Nomination

The Company's nomination process for new board candidates is as outlined below:

- **Source of Director Nominees**

Board candidates may be identified from three principal sources:

- The Board's network of contacts, including current members of the board, Senior Executives of the Company, the Company's advisers and, if it deems appropriate, a professional search firm.
- The nomination of candidates in accordance with an existing ' **Protocole D'accord** ', under which parties to this **Protocole** have the right to nominate a specific number of Directors to the Board.
- The nomination of candidates by virtue of the Companies Act 2001, which calls for a special meeting of shareholders, to be held on the written request of shareholders holding shares carrying together not less than 5 per cent of the voting rights entitled to be exercised on the appointment of a director.

- **Nomination Process**

The Company's nomination process for new board candidates is as follows:

- The Chairman of the Board and the Nomination and Remuneration Committee identify a need to add a new board member who meets the set criteria of the Company, or to fill a vacancy on the Board.
- The initial state of candidates that meet the regulatory qualifications and the Directors' qualification criteria of the Company are identified and reviewed by the Nominations and Remuneration Committee for short listing.
- The Chairman of the Board and, at least, one member of the Nomination and Remuneration Committee interview the candidate/s.
- The Board is kept informed of progress
- The Nomination and Remuneration Committee may offer other Board members the opportunity to interview the candidate/s and then meets to consider and approve the candidate.

- The Board's endorsement is sought of the recommended candidate.
- The recommended candidate is nominated by the Board or elected to fill a casual vacancy, with subsequent ratification and approval by shareholders respectively at the following shareholders meeting.
- In the case of Director candidates nominated by virtue of the existing shareholder's agreement or Companies Act 2001, the Nomination and Remuneration Committee will ensure that the recommended nominees meet the qualification criteria prescribed by the Company and are able to discharge their responsibilities effectively and in a transparent manner for the benefit of the company as a whole.

- **Term**

In accordance with the constitution of the Company, not more than one third of the directors in office shall retire at every annual shareholders meeting and be eligible for re-election.

Director's Remuneration

The Nomination and Remuneration Committee makes recommendation to the Board on Director's fees. The fee structure is designed to ensure that it is appropriate to attract, motivate and retain non-executive directors of the quality needed to run the Company's business successfully. Remuneration of directors is reviewed annually after taking note of market norms, and performance both financial and non-financial.

Executive Directors may receive a director's fee in line with that of non-executive directors, in addition to their executive remuneration packages.

Directors' Appointment and Induction Programme

- Letter of Appointment
- Code of Conduct for Directors
- Induction pack includes:
 - Board of Directors profile
 - Corporate profile
 - Organisational structure
 - Board Committee Charters
 - Key Corporate Policies
 - Annual Reports
 - Latest financials

- Briefings cover:

Responsibilities and legal obligations of Directors
Company business
Business plan and ongoing issues
Corporate strategy
Industry review
Stakeholders
Corporate Governance and regulatory matters
Model code for securities transactions

- Meetings with:

Chairman of the Board
Chairpersons Audit (Risk Management), Corporate Governance and
Nomination & Remuneration Committees
Key Senior Management

- Site visit:

Company's facilities

Directors' Self Evaluation

A self-evaluation of directors' performance is undertaken on a bi-annual basis for the Board and Board committees :

- Board Self-Evaluation questionnaire

This Charter has been approved by the Constance Group member Company board, where appropriate, and is to be strictly adhered to by the Constance Group member companies, as relevant to the nature of their business.