



Board Charter



Contents

1. Introduction.....	1
2. Composition.....	1
3. Appointment, Evaluation & Remuneration	1-2
4. Meetings	2
5. Responsibilities of the Board	2-3
6. Responsibilities of the Chairperson.....	4
6.1 Meetings.....	4
6.2 Directors	5
6.3 Induction, Development, Succession & Performance Evaluation	5
6.4 Relations with Shareholders	5
6.5 Other Responsibilities	5-6
7. Responsibilities of the Company Secretary.....	7
8. Board Committees	8
9. Conflict of Interests	8
10. Access of Information.....	9
11. Reporting.....	9

BOARD CHARTER

1. Introduction

This Board Charter (the 'Charter') sets out the composition and responsibilities of the Board of Directors (the 'Board') of BanyanTree Bank Limited (the Bank) and it will be governed by the applicable guidelines issued by the Bank of Mauritius and the requirements of the National Code of Corporate Governance for Mauritius. The Bank's Constitution prevails over this Charter in case of any conflict. The charter is posted on the Bank's website.

2. Composition

- 2.1 The Board is a unitary Board and shall comprise executive, non-executive and independent directors.
- 2.2 The Board shall comprise minimum of 5 directors, with at least 3 independent directors.
- 2.3 The Chairperson of the Board shall be either an independent or a non-executive director.
- 2.4 If the Chairperson is not an independent director, the Board shall be composed of at least 50% independent directors.
- 2.5 The Chief Executive Officer shall be a member of the Board but not its Chairperson.
- 2.6 The Board shall comprise at least one male and one female director.
- 2.7 Board members should have sufficient expertise and should have a clear understanding of their duties & responsibilities to perform his / her role as a Board member.

3 Appointment, Evaluation and Remuneration

- 3.1 Shareholders elect members of the Board at the Annual Meeting.
- 3.2 The Nomination and Remuneration Committee (NRC) recommends to the Board candidates for appointment as directors / re-election of directors.
- 3.3 The NRC shall establish criteria for evaluation of the performance of the Board, Committees and individual directors.

Board Charter

3.4 The NRC shall prepare for approval of the Board the remuneration package for directors

4 Meetings

4.1 The Board shall meet at least once per quarter. Meetings shall be scheduled annually in advance according to an annual board calendar.

4.2 The quorum for Board meetings shall be a majority of the directors in office.

4.3 Meetings are generally convened at the Port Louis office of the Bank but may also take place elsewhere.

4.4 When physical attendance by some or all directors is not possible, meetings shall be convened and conducted to facilitate participation by audio and/or video conference.

4.5 Each Board member 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.

4.6 The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

5 RESPONSIBILITIES OF THE BOARD

5.1 The Board has ultimate responsibility for the affairs of the Bank. The delegation of authority to any Committee does not discharge the responsibility of the Board in respect of the actions and decisions of a Committee. The Board shall act in the best interests of the Bank, taking into consideration the interests of its shareholders and other stakeholders.

5.2 The Board shall approve the Bank's corporate plan covering short term and long-term business objectives, strategy together with appropriate policies to execute the strategy, including those relating to risk management, capital adequacy, liquidity, risk appetite, compliance,

Board Charter

- internal controls, communication policy, director selection, and orientation and evaluation.
- 5.3 The Board shall require management to review periodically the effectiveness of the established corporate plan and report results to the Board
- 5.4 The Board shall appoint and monitor senior management, question and scrutinize its performance in the achievement of corporate objectives.
- 5.5 The Board shall question, scrutinize and monitor the performance of board sub-committees, and individual directors.
- 5.6 The Board shall ensure that policies and systems in place are effective to achieve a prudential balance between risks and returns to shareholders.
- 5.7 The Board shall ensure that the Bank has implemented effective systems and practices to achieve compliance with legal requirements and applicable regulations and guidelines and require management to review and assess periodically the efficiency and effectiveness of policies, systems and controls and report results to the Board.
- 5.8 The Board shall be responsible for the appointment of the CEO and other senior officers and assessing periodically their performance in the context of established corporate objectives and plans and also approve the Bank's organisation structure and its staff compensation policies.
- 5.9 The Board shall approve the capital and operating budgets of the Bank, capital adequacy assessment process, capital and liquidity plans.
- 5.10 The Board shall ensure that there is a clear demarcation of duties and responsibilities between the Board and management in order to implement an effective accountability regime.

Board Charter

6.0 RESPONSIBILITIES OF THE CHAIRPERSON

The Chairperson is responsible for:

6.1 Meetings

- 6.1.1 Chairing Board and general meetings and upholding rigorous standards of preparation for the meetings.
- 6.1.2 Running the Board and ensuring its effectiveness in all aspects of its responsibilities.
- 6.1.3 Setting the Board agenda, taking into account the issues and concerns of all Board members. The agenda should be forward looking, concentrating on strategic matters.
- 6.1.4 Ensuring that there is appropriate delegation of authority from the Board to executive management and Board committees.
- 6.1.5 Ensuring the Board's committees are properly structured with appropriate terms of reference.
- 6.1.6 Encouraging all Board members to engage in Board and committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence.
- 6.1.7 Ensuring that the directors receive accurate, timely and clear information, including that on the Bank's current performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Bank.
- 6.1.8 Managing the Board to allow enough time for discussion of complex or contentious issues. The Chairperson should ensure that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.
- 6.1.9 Ensuring that the decisions by the Board are executed.

6.2 Directors

- 6.2.1 Facilitating the effective contribution of non-executive directors and encouraging active engagement by all members of the Board.
- 6.2.2 Ensuring constructive relations between the executive and non-executive directors.

6.3 Induction, Development, Succession and Performance Evaluation

- 6.3.1 Ensuring that new directors participate in induction programme.
- 6.3.2 Ensuring that the development needs of directors are identified and these needs are met.
- 6.3.4 Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team.
- 6.3.5 Overseeing a formal succession plan for the Board and senior management.
- 6.3.6 Ensuring the performance of the Board, its committees and individual directors is evaluated at least once a year and acting on the results of such evaluation by recognizing the strengths and addressing the weaknesses of the Board.

6.4 Relations with shareholders

- 6.4.1 Ensuring effective communication with shareholders.
- 6.4.2 Maintaining sufficient contact with major shareholders to understand their issues and concerns, in particular discussing governance, strategy and remuneration with them.
- 6.4.3 Ensuring that the views of shareholders are communicated to the Board as a whole so that all directors develop an understanding of their views.

6.5 Other responsibilities

- 6.5.1 Ensure that he is fully informed about all issues on which the Board will have to make a decision, through briefings with the Chief

Board Charter

Executive, the Company Secretary, and members of the executive management, as appropriate.

- 6.5.2 Ensure clear structure for, and the effective running of Board committees.
- 6.5.3 With the assistance of the Company Secretary, promote the highest standards of corporate governance. If full compliance is not possible, ensure that the reasons for non-compliance are fully understood, agreed by the Board and explained to shareholders.
- 6.5.5 Ensure an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers and the community).
- 6.5.8 Building and maintaining stakeholders trust and confidence in the Bank and in conjunction with the CEO, representing the Bank to key stakeholders.

Board Charter

7.0 RESPONSIBILITIES OF COMPANY SECRETARY

7.1 The Company Secretary is responsible for:

- 7.1.1 Ensuring that the Bank complies with its constitution and all relevant statutory and regulatory requirements, Codes of ethics and applicable procedures established by the Board.
- 7.1.2 Providing the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Bank.
- 7.1.3 Developing the agenda of Board and Board committee meetings in consultation with the Chairperson and the CEO.
- 7.1.4 Circulating agendas and any supporting papers in good time.
- 7.1.5 Ensuring the presentation of high-quality information to the Board and its committees.
- 7.1.6 Checking that quorum of meetings is present.
- 7.1.7 Taking minutes of Board meetings and circulating the draft minutes to all members.
- 7.1.8 Ensuring that meetings and resolutions of the Board are properly held and passed in accordance with the Bank's Constitution.
- 7.1.9 Ensuring that the procedure for the appointment of directors is properly carried out.
- 7.1.10 Assisting in the proper induction of directors, including assessing the specific training needs of directors.

Board Charter

7.1.11 Communicate with shareholders, as appropriate, and ensure that due regard is paid to their Interests and act as a primary point of contact for the shareholder.

7.1.12 Have a role in improving engagement and purposeful dialogue between investors and the Bank.

8. BOARD COMMITTEES

The Board has established the following Committees to assist it in carrying out its responsibilities.

- Audit and Compliance Committee
- Conduct Review Committee
- Corporate Governance Committee
- Nomination and Remuneration Committee
- Risk Monitoring Committee
- Senior Credit Committee

For each committee, the Board has adopted a charter setting out its composition, frequency of meetings, duties & responsibilities and any other relevant matters. Wherever possible, Board Committees will be chaired by an independent director and the Chairperson of each Committee shall not normally be the Chairperson of the Board. The Board Committees shall comprise exclusively of Board Members. However, non-directors can be invited to attend meetings.

9. CONFLICT OF INTERESTS

9.1 The personal interests of a director, or persons closely associated with the director must not take precedence over those of the Bank and its shareholders.

9.2 A director should make best effort to avoid conflict of interest or situations where others might reasonably perceive there to be a conflict of interest.

Board Charter

9.3 A director shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information. The concerned director shall not take part in the assessment by the Board of whether a conflict of interest exists.

9.4 The Board has adopted a code of ethics that addresses issues relating, *inter alia*, to conflict of interest.

10 ACCESS TO INFORMATION

The Board and its individual members each have responsibility for obtaining all information from the management and the internal and external auditors, needed to carry out their duties. 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 Bank. 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.

11 REPORTING

The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by law and the Bank's Constitution.

The Board, in consultation with the Audit Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly (if any) and semi-annual financial reports and any other financial information. The Board, through the Audit Committee, also supervises the internal control and audit mechanisms for external financial reporting.

End of Charter