



**BOARD CHARTER**

**OF**

**NATIONAL INVESTMENT TRUST LTD**



1.0 Introduction .....	2
2.0 About National Investment Trust (NIT) .....	2
3.0 Composition of the Board, Positions , Committees.....	3
3.1 Board Profile .....	3
3.2 General Composition .....	3
3.3 Independence .....	4
3.4 (Re) Appointment; Term of Office; Resignation .....	4
3.5 Chairperson .....	5
3.6 Company Secretary .....	6
3.7 Management.....	6
3.8 Committees.....	7
4. Duties and Powers of Board .....	8
4.1 General Duties and Powers.....	8
4.2 Duties Regarding the Supervision of Management.....	9
4.3 Duties Regarding the Members and the Performance of the Board.....	9
4.4 Relations with Shareholders with respect to General Meeting .....	10
5. Board Meetings.....	10
5.1 Frequency, Notice, Agenda and Venue of Meetings .....	10
5.2 Attendance of and Admittance to Meetings .....	11
5.3 Decision-Making within the Board .....	11
6. Other Provisions.....	12
6.1. Conflicts of Interest of Board Members .....	12
6.2 Compensation of Board Members.....	12
6.3 Induction Program, Ongoing Training and Education .....	13
6.4 Confidentiality.....	13
6.5 Miscellaneous .....	14
7.0 Adoption of the Charter .....	14

## 1.0 Introduction

The Board Charter sets out the objectives, roles and responsibilities of the Board of Directors of National Investment Trust Ltd (hereinafter referred as the Company). This Charter should be read in conjunction with the Company's Constitution, the Mauritian Laws and the Trust Deed.

## 2.0 About National Investment Trust Ltd (NIT)

National Investment Trust Ltd (the "Company") was incorporated in Mauritius on 18 March 1993 as a closed ended fund whose principal activity was to invest in shares and securities in both the local and international markets. The Company is listed on the Stock Exchange of Mauritius.

The Company's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis.

On January 2008, the Company got the approval from the relevant authorities to go ahead with its plan to split its assets into three distinct and separate parts, namely:

- (i) Sub-Fund 1: NIT Local Equity Fund, to hold all domestically quoted stocks;
- (ii) Sub-Fund 2: NIT Global Opportunities Fund, to hold all overseas investments; and
- (iii) The Company to hold the local unquoted shares and manage the above two funds.

During the year 2015, the Company incorporated 6 new sub-funds namely; NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Bond Fund, NIT Global Healthcare Fund, NIT Global Value Fund, under the NIT Unit Trust. The new Funds hold overseas investments.

The Company was granted a CIS Manager Licence on 21 June 2010, issued by the Financial Services Commission and acts as the manager of NIT Local Equity Fund, NIT Global Opportunities Fund and six new Funds incorporated during the year 2015. As a CIS Manager, all investment activities carried out by the Company are subject to certain restrictions.

## 3.0 Composition of the Board, Positions, Committees

### 3.1 Board Profile

- The Board shall take into consideration the nature of the company's business and thereafter, in consultation with the Corporate Governance Committee, shall prepare the profile of its size and composition, and the desired expertise and background of Board Members.
- Number of Members- The number of directors on the Board shall not be less than five (5) directors or more than seven (7) directors and the directors shall be appointed in a General Meeting.

### 3.2 General Composition

The Board shall use its best efforts to ensure that:

- Its members are able to act independently of one another;
- They are in a position to assess the broad outline of the Company's overall position;
- Each Board Member has sufficient expertise to perform his or her role as a Board Member;
- The Board matches the ideal Profile;
- At least Three Board Members is fully conversant with critical financial issues, meaning he/she has expertise in financial administration and accounting of companies similar to the Company in size and sophistication; and
- No less than two Members of the Board are independent

### 3.3 Independence

An independent director is a Board Member who:

- has not been an employee of the Company or the group in the past three years;
- has not, or has not had in the past three years, a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- has not received, or does not receive, additional remuneration from the Company apart from a director's fee or as a member of the Company's pension scheme;
- is not a nominated director representing a significant shareholder.;
- does not have close family ties with any of the Company's advisers, directors or senior employees;
- does not have cross directorships, nor significant links with other directors, through involvement in other companies or bodies;
- has not served on the Board for more than nine years from the date of their first election.

### 3.4 (Re) Appointment; Term of Office; Resignation

(a) Election by Shareholders

A meeting of shareholders at the AGM shall elect Members of the Board. All Board Members shall hold office until the next annual meeting and may offer themselves for reelection.

### 3.5 Chairperson

#### (a) Election of Chairperson

The Board shall elect a Chairperson from among its Members.

#### (b) Duties of the Chairperson

The Chairperson of the Board shall primarily be responsible for the activities of the Board and its committees.

He/She shall act as spokesperson for the Board and shall be the principal Board contact for the Management team.

The Chairperson and the Management team of the Board shall meet regularly. The Chairperson of the Board shall preside over the meetings of shareholders.

#### (c) Responsibilities of the Chairperson

The Chairperson shall ensure that:

- The Board fulfills its duties;
- Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- Members receive all the information necessary for them to perform their duties;
- The agenda of Board meetings are determined;
- The Board meetings are chaired in an effective manner;
- The Board has sufficient time for deliberation and decision-making;
- Minutes of Board and committee meetings are properly recorded and stored;
- The committees function properly;
- Consultations are held with external advisors appointed by the Board;
- The performance of Board Members is evaluated regularly;
- Problems related to the performance of individual Board Members are addressed;
- Internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such Members as a result, are addressed; and
- The Board has proper contact with the management team.

### 3.6 Company Secretary

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Company's Constitution and law, including the Companies Act 2001 namely:

- Providing the Board with guidance as to its duties, responsibilities and powers;
- Informing the Board of all legislation relevant to or affecting meetings of shareholders and Directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation;
- Ensuring that minutes of all meetings of shareholders or Directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule and all statutory registers be properly maintained;
- Certifying the return to be filed, together with the Company's annual financial statements with the Registrar of Companies and any other returns required;
- Ensuring that a copy of the company's annual financial statements and, where applicable, the annual report is sent, in accordance with sections 219 and 220, to every person entitled to such statements or report.
- The Company Secretary also assists the Chairperson of the Board in organizing the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

### 3.7 Management

Management is responsible for:

- Implementing the overall strategy of the Board and respective Committees;
- Directing the daily operating and investment activities of the Company;
- Monitoring financial or operational performance of individual investments to ensure portfolios meet risk goals;
- Evaluating the potential of new investment opportunities;

- The proper valuation of the Company's investments including the development and monitoring of valuation guidelines;
- Responding to regulatory compliance;
- Overseeing the finance, accounting and reporting functions;
- Attending Board and Committee meetings as and when requested and provide report on performance of the Company and analysis of local and foreign markets;

## 3.8 Committees

### (a) Establishment of Committees

The Board may appoint committees from among its Members to perform specific tasks and determine their membership under the corporate governance structure. The Board shall determine the members of any committee. Other members who are not Directors, may be co-opted from time to time. The Board shall establish, as a minimum, an Audit Risk Committee, a Corporate Governance Committee and an Investment Committee.

### (b) Board Responsibility for Committee Action

The Board shall be collectively responsible for the decisions and actions taken by the Committees. A Committee may only perform the tasks delegated to it by the Board and shall 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.

### (c) Committee Reporting

The Chairman of each Committee shall promptly inform the Board of the actions they propose to take subject to the Board's approval as well as of any major developments of which they become aware. Each Board Member will have unrestricted access to all Committee meetings and records. The Board shall, as set forth in the charter of the Committee concerned, receive a report from the Committee describing its actions and findings.



#### (d) Committee Charters (Terms of Reference)

The Board shall establish (and may amend) charters for each Committee. The charters shall specify the role and responsibilities of the Committee, its composition and the manner in which it should perform its duties. The terms of reference for each Committee is detailed in Chapter 7 -9

#### (e) Website Disclosure

The charters, the composition of the committees, organization's code of Ethics, Profile of key positional and organizational structure and a statement of major accountability with the organization shall be posted on the Company's website.

## 4. Duties and Powers of Board

### 4.1 General Duties and Powers

#### (a) General Responsibilities

The Board as a whole shall be responsible for the supervision and oversight of the general business of the Company.

(b) The Board shall act in the best interests of the shareholders of NIT

(c) The Board is responsible for ensuring the standard of its own performance.

(d) To the extent possible and remaining within the limit of their individual responsibilities as Board Members, they shall act and speak in concert with respect to important affairs and matters of principle.

(e) The Chairperson, the Management and the Company Secretary shall see to it that the Board and its committees are provided in a timely manner with information they need to function properly.

(f) The Board may have recourse to the services of experts for advice or assurance, the cost of which shall be agreed in advance by the Board and paid by the Company. 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.

## 4.2 Duties Regarding the Supervision of Management

### (a) Nature of Supervision in supervising management

The Board shall consider:

- the achievement of the Company's objectives;
- the strategy and risks inherent in the Company's activities;
- the structure and operation of the internal Risk Register, and audit and control systems;
- the financial reporting process;
- compliance with law and regulations; and
- any other matters the law requires the Board to consider.
- Financial Reporting
- The Board shall, in consultation with the Audit and Risk Committee, supervise the Company's financial reporting.

### (b) Annual Risk Review

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

## 4.3 Duties Regarding the Members and the Performance of the Board

### (a) Duties Regarding Board

The duties of the Board in relation to the Members of the Board include:

- The appointment of a Chairperson,
- the establishment of committees and defining their role,
- the evaluation of the Board, its individual Members and its committees (including an evaluation of the Board profile and the induction, education and training program);
- the approval of other positions of Board Members to the extent required under this Charter; and
- addressing any conflict of interest issues between the organisation and Members of the Board.

### (b) Board Assessment

At least once a year, the Board shall evaluate its own activities and those of its individual Members, the effectiveness of such activities, and competence of the Board and its committees.

## 4.4 Relations with Shareholders with respect to General Meeting

### (a) Date and Venue

The Board shall determine the date and place of any meeting of shareholders and date for the exercise of any voting. The Board shall use its best efforts to provide shareholders with all information necessary or requested for the shareholders to properly act at the meeting of shareholders.

### (b) Attendance by Board Members

The Chairperson shall ensure that (unless there are important reasons) all Members of the Board attend the meetings of shareholders.

### (c) Disclosure of Resolutions

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

## 5. Board Meetings;

### 5.1 Frequency, Notice, Agenda and Venue of Meetings

#### (a) Frequency

The Board shall meet as often as necessary, but not less than four times a year.

(b) Notice and Agenda Meetings of the Board shall be called by the Chairperson, except 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.

To the extent possible, for each item of the agenda, an explanation in writing shall be provided and related documentation attached. The Chairperson shall consult the Management team prior to convening the meeting on the content of the agenda.

(c) Venue Board meetings are generally held at the registered office of the Company. Where personal attendance of some or all of the Directors is not possible, meetings of the Board may be held by audio conference and/or video call/video conference.

## 5.2 Attendance of and Admittance to Meetings

(a) The Management team shall attend Board meetings, in whole or in part, as requested by the Board.

(b) If a Board Member is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.

(c) Attendance by Non-Members

The admission to a meeting of persons other than Board Members, the Executive team, the Company Secretary and (if invited) other executives, shall be decided by majority vote of the Board Members present at the meeting.

## 5.3 Decision-Making within the Board

(a) Preference for Unanimity Board Members shall try to unanimously adopt resolutions. Dissenting opinions shall be recorded in the minutes when unanimity cannot be reached.

(b) Individual Vote Each Board Member has the right to cast one vote.

(c) Majority Vote

Quorum 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 pass resolutions only if the quorum, as defined in the articles of association, is present.

(d) Written Resolutions

Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board Members entitled to receive notice of meeting and none of them objects to this form of adoption.

(e) Minutes

Minutes shall be drawn up for every Board meeting and signed by the Chairperson and Company Secretary. The minutes of Board Meetings and the resolutions in writing must be added to the Company's records. Each member of the Board is entitled to a copy of the minutes and the resolutions in writing.

(f) Certification of Resolutions

A resolution adopted by the Board shall be publicly disclosed to relevant stakeholders only through a statement from the Chairperson of the Board or the Company Secretary.

## 6. Other Provisions

### 6.1. Conflicts of Interest of Board Members

#### (a) Duty to Disclose

The personal interests of a Board Member, or persons closely associated with him/her, must not take precedence over those of the Company. A Board Member shall immediately disclose to the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning persons closely associated with him/her and cause same to be entered in the Interest Register.

The Board Member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

#### (b) Abstention by Conflicted Party

A Board Member shall not take part in any discussion or decision-making regarding any subject or transaction in which he/she has a conflict of interest with the organization.

#### (c) Requirements to Approve Conflicts of Interest

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 organisation's business. Decisions to enter into transactions in which there are conflicts of interest with Board Members require the approval of the Board.

### 6.2 Compensation of Board Members

#### (a) Approval by General Meeting-

The compensation of the Board Members is determined by the shareholders. The Board may submit proposals to the shareholders.

#### (b) Reimbursement of Costs Apart from their compensation

Board Members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings.

### 6.3 Induction Program, Ongoing Training and Education

(a) Induction Program Upon his or her election, each Board Member shall participate in an induction program.

(b) Annual Review of Training

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

(c) Costs of Organisation

The costs of the induction course and any training or education shall be paid by the Company.

### 6.4 Confidentiality

(a) Duty to Keep Information Confidential

Unless required to do so by law, no Board Member shall, during his or her Membership of the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company 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 organisation and which he/she knows or should know to be of a confidential nature.

A Board Member shall not use such confidential information for his or her personal benefit.

(b) Notice of Disclosure

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.

## 6.5 Miscellaneous

### (a) Acceptance by Board Members

Anyone who is appointed a Board Member must, upon assuming office, declare in writing to the Company that he/she accepts and agrees to comply with the provisions of this Charter.

### (b) Occasional Non-Compliance

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.

### (c) Amendment

This Charter may be amended by the Board at its sole discretion without prior notification.

### (d) Partial Invalidity

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.

## 7 Adoption of the Charter

This Charter was approved by the Board of Directors of NIT on 26 October 2020 and they have pledged to abide by this Charter.



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Chairman

Mr. Veenay Rambarassah