SBM HOLDINGS LTD

# CORPORATE GOVERNANCE AND CONDUCT REVIEW COMMITTEE - TERMS OF REFERENCE

The Committee shall carry out the following roles and responsibilities on behalf of the Board, within its duties and scope of authority as determined by the Board from time to time:

## Corporate Governance

### 1. Governance matters

- Advise the Board on all aspects of corporate governance and recommend the adoption of best practices as appropriate across the Group and ensure that reporting requirements on corporate governance are in accordance with the principles of the National Code of Corporate Governance for Mauritius (2016) ("the Code") and/or the relevant legislations on Good Governance in place in the country.
- The Committee shall report on/escalate any breach to the Code to the Board of SBMH.
- Determine and develop the Group's general policy on corporate governance in accordance with the applicable Code of Corporate Governance and best international practices.
- Review the Group's policies falling under the responsibilities of the Company Secretariat function, such as related party and conflict of interest policy, insider and share dealing policy, Board rotation policy and other governance related policies and procedures to ensure their continuing adequacy and enforcement.
- Review on an annual basis, the Board Charter and on a regular basis, the Group's Code of Ethics and Business Conduct, to keep abreast with best practices and make recommendations to the Board.
- Identify any violations of ethical conduct, if any and give recommendations to the Board on situations involving any breach of the SBMH's Code of Ethics and Business Conduct.
- Review the Governance Page of the Group and ensure same is updated on a regular basis.
- Recommend to the Board any close period during which the Directors and any other persons in the Group who are privy to price sensitive information shall not be permitted to trade in SBMH shares or securities.
- Take note of the Report on Share/Security Dealings by the Directors, Senior Management including associates and Staff of selected departments and their associates (as identified and approved by the Board) and recommend the appropriate actions to be taken in case of breaches, to the Board for consideration.
- Ensure that disclosures on Corporate Governance, whether in the Integrated Annual Report or on an on-going basis, are made in accordance with the Code.
- Review and recommend the write-up of the Corporate Governance Report for inclusion in the SBMH's Integrated Annual Report.
- Ensure that disclosures are made in the Integrated Annual Report in compliance with the Companies Act 2001, the Code, Stock Exchange of Mauritius Listing Rules and any other applicable laws & regulations and report any breaches for further action thereon to the Board.
- Review any statements on ethical standards or requirements for SBMH and assist in developing such standards and requirements.
- Give due consideration to laws and regulations, the principles of the Code and any other applicable rules, as appropriate.
- Make recommendations for approval any amendments to be brought to the terms of reference of the Board Committees.
- Devise a Policy on Board Diversity in concert with the Remuneration & Nomination Committee ("REMCO") and recommend to the Board for consideration.
- Report periodically to the Board of Directors on matters reviewed by it, including exceptions/breaches to established policies, processes and limits.
- Take note of the Report from the Group Governance Forum for any governance-related aspects, on a quarterly basis and provide the necessary guidance, as applicable.
- Conduct periodic Independent assessments of the effectiveness of the Group's governance framework.
- Oversee governance practices across subsidiaries, ensuring alignment with Group standards and regulatory expectations.
- Ensure that information provided to the Board is timely, accurate, and sufficient to support effective decision-making.
- Oversee governance-related interactions with regulators and ensure timely remediation of regulatory findings.
- Oversee the effectiveness, independence and protection mechanisms of whistleblowing frameworks.
- Monitor the Group's culture, ethical climate and conduct risk indicators, including tone from the top.

### 2. Directors and Senior Management staff

- In concert with the REMCO, to formulate criteria to determine the expertise, qualifications, positive attributes, independence, performance and other criteria required of a Director, and make recommendations to the Board accordingly.
- Evaluate the balance of skills, knowledge, experience, and diversity on the Board prior to the appointment of new Directors and ensure that the potential candidates have clean track records.

- Ensure a formal process is in place to review the Board's structure, size and composition to ensure it maintains an optimal balance of diversity, experience, and skills to effectively represent shareholder interests, and make recommendations to the Board accordingly for any necessary adjustments.

- Ensure Directors are rotated on a six-year basis in line with the Bank of Mauritius ("BOM") Guidelines on Corporate Governance. Notwithstanding the term of office of six years, an outgoing director may, with the prior approval of the BOM, be reappointed as director on the Board of SBMH after having observed a cooling period of two years. However, the BOM may, where it deems it fit, approve the reappointment of a director who has not observed the cooling period (in line with section 12 of BOM Guidelines on Corporate Governance).

- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, remuneration and involvement outside board meetings.

- Ensure that on appointment, new Directors are provided with tailored and comprehensive induction programs to facilitate their understanding of the business and to be able to perform and discharge their statutory responsibilities and duties effectively, including the process for dealing with conflicts.

- Provide all Directors with appropriate continuing training opportunities and development programs to ensure that they have adequate level of knowledge and expertise to navigate through the challenges and complexity of the business environment and ensure adequate budget for same.

- Ensure accurate and transparent disclosure of the Directors` remuneration in line with the applicable laws & legislations.

- Ensure the performance of the Board, its Board Committees, Chairperson of the Board and individual Directors are evaluated on an annual basis (internally or externally driven) with the results being reported to the Board and all recommended follow-up actions are assigned and completed.

- Ensure implementation of a formal succession plan within the Group, as regards to the Directors, Chairpersons, Senior Executives, as well as all key Management positions, while maintaining a pool of potential director candidates for consideration in case of vacancies.

- In collaboration with the REMCO, to recommend to the Board for the continuation (or not) in service of any Director who has reached the age of 70.

- Review the independence of Directors in accordance with the BOM guideline and make recommendations to the Board on the independence of Non-executive Directors and the individual's ability to perform his or her duties Independently without undue influence from other person at least annually, in collaboration with the Company Secretariat function.

- Have oversight of the subsidiary governance framework and regulatory control environment through periodic updates.

- Ensure ongoing 'fit and proper' assessments of Directors and Senior Management in line with regulatory expectations.

- Ensure governance and conduct considerations are embedded in performance evaluations.

- Periodically review the robustness of succession pipelines for key leadership roles.

**Conduct Review/ Related Party**

- Take note of all proposed significant related party transactions and situations involving a Board member or affiliate's potential or actual conflict of interest.

- Take note of credit exposures to related parties / Directors and ensure that all transactions are conducted at arm's length.

- Review all proposed material transactions and practices of SBMH to ensure that any transaction with the related parties that may have a material effect on the stability and solvency of SBMH or the Group are identified and dealt with in a timely manner.

- Ensure that policies and procedures are established and are being maintained to comply with the requirements of the related party transactions guidelines of the BOM.

- Oversee the framework for managing conduct risk across the Group.

- Review governance controls relating to AML, fraud, sanctions and financial crime risks.