



# STRATEGY AND INVESTMENT COMMITTEE CHARTER

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## 1. OBJECTIVES

The Strategy and Investment Committee (“the Committee” or the “SIC”) has been established to assist the Board

- 1.1 In reviewing periodically the strategy of the Company and in proposing to update it, if and when necessary.
- 1.2 In considering investment and disinvestment opportunities and evaluating investment-related projects in respect of properties, listed and unquoted securities and other corporate action.
- 1.3 In recommending to the Board, acquisitions, disposals and investments generally in line with the limits of authority delegated to it and in line with the strategy determined by the Board.
- 1.4 In reviewing the performance of the various investments once approved.

This Charter is posted on the Company’s website.

## 2. COMPOSITION

- 2.1. The SIC shall comprise of a minimum of 5 directors, including three non-executive directors and two executive directors. All members shall have sufficient qualifications and experience to fulfil their duties, in particular, a broad understanding of the business and economic environment, of financial and business risks and of the country’s legal and statutory infrastructure. The Chairperson and the members of the Committee shall be appointed by the Board on the recommendation of the Remuneration, Corporate Governance and Ethics Committee.
- 2.2. The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.
- 2.3. The Company Secretary of the Board shall be the Secretary of the Committee.
- 2.4. The Chairperson and members of the Committee shall have the discretion to co-opt any person when deemed appropriate.

## 3. MEETINGS

- 3.1. A meeting of the Committee may be called by any member of the Committee or by the Secretary, but in any event the Committee shall meet at least three times annually.
- 3.2. The quorum for the meetings of the Committee shall be a majority of the members of the Committee present throughout the meeting. A member may participate in a meeting of the Committee by means of a conference telephone, or other communications equipment, by means of which, all persons participating in the meeting can hear each other and be counted in the quorum.
- 3.3. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.
- 3.4. The Committee may request any officer or employee to attend any meeting and provide pertinent information as necessary.

- 3.5. The Committee shall keep appropriate records of all meetings of the Committee with minutes of the proceedings and shall regularly report all matters discussed and submit recommendations to the Board for final approval.

#### **4. ROLES AND RESPONSIBILITIES**

- 4.1. The Committee has an independent role, reviewing the strategy of the Company, operating as an overseer, supervising investment activity and making recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The Committee must perform all the functions as are necessary to fulfil its role as stated above and including the following:
- 4.1.1. Review and evaluate the investment strategy, its alignment with the Company strategy, as well as investment risk management, exposure policies and guidelines, including criteria and targets for investment;
- 4.1.2. Approve proposals for development, acquisition and sale of any equity or property investment; and
- 4.1.3. Review regularly the evolution of the investments of the Company
- Review the valuations assigned to the investments.
  - Review performance of the entire portfolio; monitor overall investment results, and compliance with investment objectives and guidelines; review and approve periodically any investment benchmarks or other measurement devices employed by the Company to monitor the performance of its investment portfolio.
  - Monitor compliance with any regulations as may be prescribed by the regulatory authorities.
  - Report regularly the overall investment results and make recommendations to the Board for approval.

#### **5. PROCEEDINGS**

- 5.1. The Committee is entitled to
- 5.1.1. Delegate its responsibilities, as outlined in the investment guidelines, to officers and employees of the Company.
- 5.1.2. Have unrestricted access to any of the books and records of the Company or other information, that the Committee shall consider relevant, in order to perform its duties and investigate any activity within its terms of reference.
- 5.1.3. Require investigation of specific financial transactions before Board approval where the SIC and/or Management considers it necessary.
- 5.1.4. Execute any other cognate duties by delegation of the Board.

- 5.1.5. Seek internal and external professional advices; it may retain, at the Company's expense, and subject to the approval of the Chairperson of the Board, such independent counsel or other advisers as it deems necessary for the proper performance of its responsibilities and secure the attendance at meetings of outsiders with relevant expertise and experience if it reasonably considers this necessary.

## 6. REMUNERATION

Having regard to the functions performed by the members of the Committee, in addition to their functions as directors, and in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors.

The Chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board.

## 7. OTHER PROVISIONS

### 7.1. Professional advice

Members of the Committee are able to seek independent professional advice, should the need arise. The professional services procured will be at the Company's expense and prior approval of the Chairperson of the Board is required.

### 7.2. Access to information

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

### 7.3. Reporting

7.3.1. The Chairperson (or in his/her absence, any designated member) of the Committee shall report to the Board on the Committee's deliberations at the next Board Meeting.

7.3.2. The Committee will make recommendations to the Board concerning the development, acquisition and disposal of major investments and report on any findings as well as any other matters arising from the above responsibilities.

7.3.3. The Committee will periodically review and assess the adequacy of this Charter.

## 8. ROLE OF THE PORTFOLIO MANAGER

8.1. The Managing Director will act as the portfolio manager and will be responsible for:

8.1.1. Implementing the investment strategy defined by the Board for the Company, with regard to both local and foreign investments in line with any legislation, and restrictions imposed by the SIC and the relevant investment management mandates.

- 8.1.2. Formulating an investment policy that reflects the investment strategy of the Company. In particular, investment guidelines should:
- Reflect the Company's portfolio objectives and risk constraints.
  - specify minimum criteria on the overall credit quality and liquidity characteristics of the Company's portfolio.
  - include limitations on the size of certain holdings as well as restrictions on purchasing certain types of securities or investing in certain industries.
- 8.1.3. Making reasonable investment decisions consistent with the stated investment objectives and reflected in the relevant investment management mandates as prescribed in the annexure.
- 8.1.4. Managing the performance of the portfolio.
- 8.1.5. Preparing reports and updates and presenting them to the SIC, as and when required, but at least quarterly.
- 8.1.6. Reporting to the Board all important and strategic issues which have occurred in the affiliated companies during the quarter.

## DEFINITION OF TYPES OF INVESTMENTS

There shall be four broad types of investments:

- 1 core;
- 2 non-core special relationship;
- 3 non-core listed; and
- 4 foreign listed .

## INVESTMENT THRESHOLDS MANDATES

- 1) “Core” investments are those made in companies, in which PaD has a long term interest, and may be made via rights issues, or buying shares in the market. The following investments are currently classified as core investments: Caudan, Medine, EUDCOS and MFD. The Managing Director shall recommend from time to time to the Strategy and Investment Committee the levels of interest to be held in these companies, and after approval by the Board of Directors shall purchase shares as opportunities arise. All sales of core investment shares shall be referred to the SIC and the Board of Directors.
- 2) “Non-core special relationship” investments are those investments (other than those classified as core investments) in which the Company has a special interest. All such (dis)investments shall be referred by the Managing Director to the SIC. The latter shall review and evaluate each proposed (dis)investment on whether it is prudent and in the financial best interest of the Company. (Dis)investments which represent less than 1 percent of the total assets of the Company shall be decided by the Committee. Any (dis)investment above that threshold shall be referred to the Board of Directors on the recommendation of the Committee.
- 3) “Non-core listed” investments are shares quoted on the Stock Exchange of Mauritius (both the Official Market and DEM), excluding those which have been identified under Category 1 or 2. The Managing Director shall be authorized to buy or sell for the equivalent of 15 per cent of the total non-core listed investments in any quarter on simple advice to the SIC, subject however to a maximum amount of Rs50,000,000 per quarter.
- 4) “Foreign listed” investments are shares quoted on a reputable stock exchange overseas. All (dis)investments of foreign listed shares shall be referred to the SIC and the Board of Directors.

## GENERAL

Except for those already referred to the Board, all (dis)investments shall be ratified at the following Board meeting.

In the event of a potential conflict of interest with one or more of the Company’s directors, reference shall be made to the Conflicts of Interest & Related Party Transactions Policy.