

## **MCB AFRICA EQUITY FUND**

### **BOARD CHARTER**

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#### **1. INTRODUCTION**

This Board Charter (the “**Charter**”) sets out the objectives, roles and responsibilities and composition of the Board of Directors (the “**Board**”) of MCB Africa Equity Fund (the “**Company**”). This Charter should be read in conjunction with the applicable constitution of the Company (the “**Constitution**”), and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail. This Charter is posted on the website of MCB Capital Markets.

#### **2. OBJECTIVES**

The objective of the Board is to ensure that the Company is being managed in conformity with the applicable legal and regulatory framework, the Constitution, the other Company’s documentation (including the Offering Memorandum) and best governance practice.

#### **3. COMPOSITION**

3.1 The Board shall comprise at least two Directors, of which two shall at all times be Mauritius resident Directors. The Board shall also include one woman Director and at least two independent Directors.

3.2 The number of Directors may be increased by Ordinary Resolution.

3.3 A Director need not be a shareholder of the Company but shall be entitled to receive notice of and attend all meetings of shareholders of the Company. The members of the Board shall be appointed by the holders of the Management Share.

3.4 Board’s members should be qualified for their positions, have a clear understanding of their role and be able to exercise sound judgement about the affairs of the Company. Board’s composition is reviewed on a regular basis to ensure that Directors between them bring the range of skills, knowledge and experience to direct the Company going forward.

#### **4. APPOINTMENT, EVALUATION AND REMUNERATION OF BOARD MEMBERS**

4.1 The Remuneration, Corporate Governance and Ethics Committee of the MCB Group Limited (the “**RCGEC**”) identifies suitable candidates for the Board after determining whether the potential candidates have the required criteria it has established. RCGEC then proposes the selected candidates to the Fund Manager of the Company (the “**Manager**”) and the Board for review and approval.

4.2 The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

4.3 Any Director so appointed shall hold office only until the next following Annual Meeting and shall then be eligible for re-election.

## **MCB AFRICA EQUITY FUND**

### **BOARD CHARTER**

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- 4.4 The Directors shall be entitled to a remuneration. Such remuneration shall be deemed to accrue from day to day. The Directors and any alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or meeting of shareholders of the Company or in connection with the business of the Company.
- 4.5 The Board may in addition grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company.
- 4.6 Directors who are already in an executive position within the MCB Group do not receive additional remuneration as Board's member, in line with the MCB Group Limited's policy.

### **5. ALTERNATIVE DIRECTOR**

- 5.1 Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Board, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.
- 5.2 The appointment of an alternate Director shall determine on the happening of any event which if he was a Director would cause him to vacate such office or if his appointor ceases to be a Director.
- 5.3 An alternate Director shall be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) was a Director.

### **6. BOARD MEETINGS**

- 6.1 The Board must determine the frequency of the Board meetings, which should be at least once per quarter.
- 6.2 A meeting shall be deemed properly constituted by a number of the Directors who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting, or if carried out by means of simultaneous telephonic, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
- 6.3 The quorum for a Board meeting shall be as follows:
- 6.3.1 with respect to meetings dealing exclusively with approving or authorising the issuance of shares in the Company and matters ancillary or incidental to such issuance of shares, two (2) Directors; and

## **MCB AFRICA EQUITY FUND**

### **BOARD CHARTER**

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6.3.2 with respect to meetings dealing with matters other than those stipulated in the preceding paragraph 6.3.1), three (3) Directors.

6.4 If the quorum is not so present at the start of and throughout a duly convened meeting:

6.4.1 the meeting shall be adjourned to the same day in the next week at the same time and place; and

6.4.2 where, at the adjourned meeting, a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the Directors present shall constitute a quorum.

## **7. ROLE AND RESPONSIBILITIES**

7.1 The Board is ultimately responsible for the affairs of the Company. The Company has entered into an investment management agreement of unlimited duration with the Manager which gives the Manager full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Company's investments subject to and in compliance with the investment objectives as described in the Offering Memorandum and in light of any reasonable instructions that may be given by the Board. This delegation of authority does not discharge the Board of its responsibility. The Board shall ensure that the decisions taken are not detrimental to the sound and prudent management of the Company, its financial health and the legal interests of its stakeholders in general.

7.2 Strategy

The Board shall ensure that the Company is being managed in line with its investment strategy, guidelines and objectives.

7.3 Risk Governance and Internal Control

The Board has ultimate responsibility for risk management which is delegated to the Manager.

The Manager's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The system of internal control, which is embedded in all key operations of the Manager, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved.

The Manager is responsible for the design, implementation and monitoring of all risk, compliance and anti-money laundering policies and procedures of the Company and has a direct reporting line to the Board.

**MCB AFRICA EQUITY FUND**  
**BOARD CHARTER**

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7.4 Financials

The Board is responsible for approval of annual statutory financial statements ensuring that they have been prepared using the appropriate accounting policies and standards and fairly presents the state of affairs of the Company.

7.5 Interests of the Shareholder and other stakeholders

The Board must keep shareholders informed of material events affecting the Company and ensure that the Company is governed in a transparent manner.

When carrying out its roles, the Board should consider the objectives of the Company, the best interest of the Company, the expectations of shareholders, that Directors will undertake their responsibilities with honesty, integrity care and diligence in accordance with the law and in a manner which reflect the highest standards of corporate governance.

**8. CHAIRPERSON**

8.1 The Directors may elect one of their number as chairperson of the Board and determine the period for which he is to hold office.

8.2 The chairperson presides over the meetings of the shareholders.

8.3 The chairperson shall not have a casting vote.

**9. ROLE OF INDEPENDENT DIRECTORS**

9.1 Independent Directors collectively contribute to the development of the strategy, analyse and monitor the performance of management against agreed objectives. Whenever required, they should challenge proposals presented by management and request additional information where they consider that information is necessary to support the informed decision.

9.2 Independent Directors shall provide independent judgment in all circumstances.

9.3 All Directors are bound by the fiduciary duties and duties of care and skill.

**10. COMPANY SECRETARY**

The duties of the Company Secretary include:

- (i) providing guidance to the Board relating to their duties, responsibilities and powers;
- (ii) informing the Board of all legislation pertaining to meetings of the shareholders and the Board;
- (iii) ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained; and
- (iv) certifying in the annual financial statements, that the Company has filed with the Registrar of Companies all such returns as are and may be required under the laws of Mauritius.

**MCB AFRICA EQUITY FUND**  
**BOARD CHARTER**

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**11. REVIEW AND AMENDMENT OF BOARD CHARTER**

The Board may at any time review and amend the present Board Charter by a simple majority of its member.