



**TERMS OF REFERENCE
CORPORATE GOVERNANCE
COMMITTEE**

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1. Constitution

At a meeting held at AXYS Leasing Ltd 'the Company', Bowen Square, Dr Ferrière Street, Port Louis on 24 September 2014 the Board of Directors 'the Board' of the Company resolved to amend the existing Terms of Reference which were adopted on the 08th December 2011.

The following updated Terms of Reference of the Corporate Governance Committee 'the Committee' were adopted by the Board on 27th March 2015.

The Remuneration Committee and Nomination Committee form part of the Corporate Governance Committee.

The Corporate Governance Committee shall make recommendations to the Board on:

- all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles;
- all the essential components of remuneration and establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors
- all new Board and senior executive nominations.
- the balance and effectiveness of the Board

2. Membership

Unless the Board of Directors decides otherwise and justifies the same, a non-independent Chairperson of the Board can only be the Chairperson of the Corporate Governance Committee on condition that the majority of the Committee are independent non-executive Directors. If this is not the case then the non-independent Chairman of the Board can be a member of the Corporate Governance Committee, but not its Chairperson. The Chairperson of the Committee would then have to be an independent non-executive Director. (Aspiration: The Chairman of the Corporate Governance Committee should be an independent non-executive Director).

The Managing Director may be a member of the Corporate Governance Committee.

The Corporate Governance Committee should be composed of a majority of non-executive Directors.

The Secretary of the Company shall act as Secretary to the Committee.

3. Composition

The Corporate Governance Committee will consist of at least two members.

The Board will appoint committee members and the committee chair.

The quorum for decisions of the Committee shall be fixed by the Committee and if not so fixed, shall be any two members present throughout the meeting who shall vote on the matter for decision. No business shall be transacted at a meeting of the Committee if a quorum is not present.

4. Meetings

Meetings of the Corporate Governance Committee will be held as the Committee deems appropriate. However, the Committee should meet at least twice a year. Meetings should be organised so that attendance is maximised. The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.

The notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee at his known registered address, not less than four working days prior to the date of the meeting.

Minutes of all meetings shall be circulated to all the members of the Committee and may also, if the Chairperson of the Committee so decides, be circulated to other members of the Board.

5. Duties

- The duties of the Corporate Governance Committee shall be to:
- determine, agree and develop the Company's general policy on corporate governance in accordance with the recommendations of the Code of Corporate Governance;
- ensure that disclosures on corporate governance, whether in the annual report or on an ongoing basis, are made in accordance with the principles of the Code of Corporate Governance;
- prepare the corporate governance report to be published in the annual report;
- determine, agree and develop the Company's general policy on executive and senior management remuneration;
- determine specific remuneration packages for executive Directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives and other benefits;
- determine the level of non-executive and independent non-executive Directors fees to be recommended to the Shareholders at the Meeting of Shareholders;
- determine any criteria necessary to measure the performance of executive Directors in discharging their functions and responsibilities;
- review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

- ensure that the right balance of skills, expertise and independence is maintained;
- identify and nominate candidates for the approval of the Board to fill board vacancies as and when they arise, as well as put in place plans for succession, in particular for the Chairperson and Managing Director;
- establish formal, clear and transparent criteria for prospective directors and evaluation of current directors
- assess the effectiveness of Board and the direct process of renewing and replacing of Board members
- ensure a review, at least annually, of the current director's performance and attendance at board and committee meetings
- ensure that board members receive thorough orientation on board governance and key strategic issues
- ascertain whether potential new Directors are fit and proper and are not disqualified from being Directors (prior to their appointment);
- make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of 70;
- The Committee will liaise with the Board in relation to the preparation of the Committee's report to Shareholders, as required;
- review and advise on the remuneration policy generally of the Company;
- review the annual corporate social responsibility policies and related budgets.

6. Remuneration

Having regard for the functions performed by the members of the Committee in addition to their functions as Directors in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the Constitution of the Company, 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.

7. General

The Corporate Governance Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

The Board will ensure that the Committee will have access to professional advice both inside and outside the Company in order for it to perform its duties.

These Terms of Reference may be amended as required, subject to the approval of the Board.