



SUGAR INSURANCE FUND BOARD BOARD CHARTER

1.0 Preamble

The Board Charter (the “Charter”) sets the framework for the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of the Sugar Insurance Fund Board (SIFB).

The Charter sets out the objectives, roles, responsibilities and authority and composition of the Board of directors (the “Board”) of the Sugar Insurance Fund Board (the “SIFB”). This Charter also sets out the operation of the Board of SIFB, adopting principles of good corporate governance and practice, that accord with applicable laws.

This Charter is posted on the organisation’s website.

2.0 Purpose of Charter

The Code of Corporate Governance for Mauritius recommends the disclosure of the Board Charter on the organization's website and that a statement that the Board has approved its Charter shall be included in the corporate governance section of the Annual Report.

The Board Charter sets out the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of the SIFB.

3.0 Board Authority

The Board derives its authority to act from the Sugar Insurance Fund Act and the relevant laws.

4.0 Constitution of the Board

4.1 The Board shall consist of (Section 5 of the SIF Act):

- a) a Chairperson, to be appointed by the Minister on such terms and conditions as the Minister may determine;
- b) the supervising officer of the Ministry responsible for the subject of agriculture or his representative;
- c) the Financial Secretary or his representative;
- d) the Director of the Control and Arbitration Department of the Mauritius Cane Industry Authority;
- e) a representative of the Chamber of Agriculture;
- f) 4 representatives of planters;
- g) a representative of millers;
- h) a representative of the Mauritius Cane Industry Authority.

The Directors specified in subsection (f) (g) and (h) shall –

- (a) be appointed or designated by the Minister, as the case may be; and
- (b) hold and vacate office on such terms as the Minister may determine.

The above constitution of the Board shall be made public on the website of the SIFB and in the Annual Report.

All members of the Board should act independently of one another, and collectively should bring a mixture of expertise, knowledge, skills, objectivity to the Board to act in the best interest of the Fund.

4.2 Quorum

The quorum of the Board shall be 5 as per section 6 of the SIF Act.

5.0 Role and Responsibilities of the Board

The Board is charged with leading and managing the Fund in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to insureds, Government and other stakeholders for the manner in which the affairs of the Fund are managed.

The Board has delegated authority to the General Manager who shall be responsible for the execution of the policy of the Board and for the control and management of its day-to-day business.

In discharging the above responsibilities, the Board will direct and perform the functions that are set out as follows:

5.1 Strategy

- Set the SIFB's vision, mission, values and objectives.
- Provide effective leadership and guidance in:
 - developing and maintaining an organization structure to support the achievement of agreed strategic objectives.
 - Monitoring the achievement of the strategic and business plans and annual budget outcomes.
 - Monitoring the performance of the General Manager having regard to the strategic plan and against agreed performance indicators.

5.2 Risk Management

- Maintain and implements risk management policies and internal compliance and control systems which are based on best practices.

5.3 Internal Control Systems and Information Systems

- Ensure that effective internal control systems and information systems are in place to safeguard the Fund's assets.
- Review the effectiveness and adequacy of the applicable systems and controls from time to time.

5.4 Finance and Reporting

- Approval of Annual Report including the financial statements.
- Approval of annual budget.
- Approval of corporate policies and procedures.
- Consider the recommendations of the external auditor as expressed in the management letter.
- Ensure proceedings of all meetings are minuted and signed by the chairman of the meeting.
- Ensure minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

5.5 Corporate Governance

- Ensure that the Fund has appropriate corporate governance structures in place.
- Establish such committees, policies and procedures for the Board to discharge its roles and responsibilities in an efficient manner.
- Carry out a Board evaluation as provided in the Code of Corporate Governance, Mauritius (2016).
- Appoint the General Manager, setting the terms of the General Manager's employment contract.

5.6 Board's communication with stakeholders

- Ensure effective communication with stakeholders

6.0 Board procedures

- (a) The conduct of members will be consistent with their duties and responsibilities to the Fund.
- (b) Members will use their best endeavours to attend board meetings and to prepare thoroughly. Members unable to attend a meeting will advise the Chair/Secretary at the earliest date possible.
- (c) Board discussions will be open recognising that genuinely-held differences of opinion can, in such circumstances, bring greater clarity and lead to informed decisions. The Chair will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law.
- (d) The Board has sole authority over its agenda and exercises this through the Chair. Any member may, through the Chair, request the addition of an item to the agenda. The agenda will be set by the Chair in consultation with the General Manager and the Secretary.
- (e) In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, Management or other person. Nevertheless, this does not relinquish the ultimate responsibility of the Directors under the relevant laws.

7.0 Role of the Chair

The Role of the Chair is to:

- (a) Represent the Board, provide leadership to the Board and ensure its effectiveness in all aspects of its role.
- (b) Set the Board agenda with the assistance of the General Manager and Secretary to the Board.
- (c) Ensure that the Board is fully apprised of critical issues and has the opportunity to debate the strategic direction of the Institution.
- (d) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the Institution.

8.0 Role of Board Secretary

- (a) The Administrative Secretary (or his assistant) shall act as Secretary to the Board and sub committees of the Board.
- (b) The Secretary shall assist the Chair in establishing the agenda of Board meetings and shall coordinate the timely completion and despatch of Board papers.
- (c) The Secretary is also responsible and accountable to the Board, for ensuring that the secretarial functions provide adequate support to the Main Board (and Board Committees) for all Board-related administrative functions.
- (d) All members, particularly the Chair, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the business.

9.0 Board sub Committees

- (a) Apart from the Board itself, as specified in Sections 5 and 6 of the SIF Act, and its Investment Committee (section 10 of the SIF Act), the Board shall establish an Audit Risk and Management Committee, a Staff Committee, a Corporate Governance Committee, a Finance Committee, an Assessment Committee. Other sub committees are formed for specific purposes and disbanded as required.
- (b) The Board may appoint sub committees from among its members to perform specific tasks. The Board shall determine the members of any committee.
- (c) The terms of reference and composition of Board committees shall be set out in separate documents and shall be available on the website of the SIFB.
- (d) Board sub committees will be formed to facilitate efficient decision-making. Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- (e) The Board will determine the composition of Sub Committees, having regards to skills and experience, and any other regulatory requirements.
- (f) The Board may from time to time also establish adhoc Board Committees to consider special matters that may arise.
- (g) Each Board committee shall meet at least 3 times annually in ordinary meetings/special meetings, as determined by the Chairperson of the relevant committee.
- (h) The quorum for the Board's committees or subcommittees shall be the next whole number corresponding to half of the relevant membership.



- (i) The General Manager shall be in attendance at Board and at committee meetings.
- (j) The Board and its committees may call upon any employee to appear, with due notice to assist in the conduct of its business.
- (k) Each committee shall report to the Board through its minutes of proceedings or corresponding reports to be circulated for Board meetings.
- (l) In the absence of the Chairperson of the Board or its committees, provided there is quorum, the members present shall elect a Chairperson for the meeting. The decision of the Chairperson on all procedural matters shall be final.
- (m) Decisions at meetings of the Board, its committees and sub-committees shall be by consensus of agreement; where in the opinion of the Chairperson a vote needs to be taken, the majority of members present shall decide, in case of equality of votes from the members present, the Chairperson shall have the power of exercising a casting vote.
- (n) The Board remains collectively responsible for the decisions and actions taken by any Committee

10.0 Board / Management Relationship

All Board authority conferred on management is delegated through the General Manager so that the authority and accountability of management is considered to be the authority and accountability of the General Manager so far as the Board is concerned.

Between Board meetings, the Chair maintains an informal link between the Board and the General Manager, expects to be kept informed by the General Manager on all important matters, and is available to the General Manager to provide counsel and advice where appropriate.

10.1 Separation of Functions Between the Chair and the General Manager

The roles of the Chairperson and General Manager are strictly separated.

The Chairperson is responsible for:

- (a) leading the Board;
- (b) facilitating effective discussions at Board meetings; and
- (c) ensuring effective communication with Stakeholders.

The General Manager is responsible for:

- (a) implementing policies and decisions of the Board;
- (b) making recommendations to the Board on the long term vision and strategy for the company and annual business plans and budgets that support the company's long-term strategy;
- (c) striving consistently to achieve the company's financial and operating goals and objectives, and ensuring that the day-to-day business affairs of the company are appropriately managed and monitored;
- (d) ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board;
- (e) maintaining a positive and ethical work climate conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels of the organisation.



11.0 Conflict of Interest

A Director should make a best effort to avoid conflicts of interest or situations where others might reasonably perceive there to be a conflict of interest.

Where a conflict of interest arises or may arise, a Director must disclose the conflict to the Board. On declaring their interest the director concerned should not be present at that part of the meeting in which the conflict or potential conflict is discussed and should not participate in the debate, vote or indicate how he or she would have voted on the matter in the Board or the committee meeting.

12.0 Review of Charter

The Board may review this Charter at its sole discretion regularly to ensure it remains consistent with the Board's objectives and responsibilities.

13.0 Interpretation

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Chairperson of the Board shall be decisive. The Chairperson may take advice, as required, before coming to a decision.

14.0 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.

29 September 2021