

BRAINWORKS LIMITED

BRAINWORKS

NON-EXECUTIVE DIRECTORS POLICY

DECEMBER 2018

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1 INTRODUCTION

This Non-Executive Director Policy addresses the roles, responsibility and engagement of Non-Executive Directors (“NEDs”) at Brainworks Limited. The purpose of the Non-Executive Directors Policy (the “Policy”) is to:

- support Brainworks Limited and achievement of its strategic objectives by attracting and retaining a high calibre of NEDs;
- provide clarity on the role and responsibilities of NEDs;
- provide a transparent mechanism with which Brainworks Limited engages and compensate NEDs whose performance goes beyond the ordinary course and scope of a NED’s duties; and
- to promote ethical practice, transparent and responsible corporate leadership.

This policy should be read in conjunction with the Terms of Reference of the Board of Directors of Brainworks Limited, a section of which has been incorporated herein for ease of reference. In this document BWL refers to Brainworks Limited.

2 TERMS OF REFERENCE OF THE BOARD OF DIRECTORS OF BRAINWORKS LIMITED

The following are the duties and responsibilities of all BWL directors:

A. Human Resources

The Board has the responsibility to:

- i) appoint the Chairman and Chief Executive Officer (the “CEO”) and plan succession of the CEO;
- ii) approve terms of reference for the CEO;
- iii) monitor and, at least annually, review the CEO’s performance against agreed upon annual objectives;
- iv) approve the CEO’s compensation;
- v) review the senior management structure including such duties and responsibilities to be assigned to officers of the Company;
- vi) on the recommendation of the CEO, appoint the officers of the Company who report to the CEO;
- vii) review compensation plans for senior management including salary, incentive, benefit and pension plans;
- viii) approve certain matters relating to all employees, including:
 - a) the Company’s broad compensation strategy and philosophy; and
 - b) new benefit programs or material changes to existing programs;
- ix) ensure succession planning programs are in place, including programs to train and develop management; and
- x) provide advice and counsel to the CEO in the execution of the CEO’s duties.

B. Mission and Plans

The Board has the responsibility to:

- i) participate with Management in the development of, and ultimately approve, the Company's Mission and Values;
- ii) participate with Management in the development of, and ultimately approve, the Company's service plan, taking into consideration the commercial, public policy and regulatory responsibilities of the Company;
- iii) approve annual business plans, operating and capital budgets that support the Company's ability to meet its service plan;
- iv) direct Management to develop, implement and maintain a reporting system that accurately measures the Company's performance against its business and service plans;
- v) monitor the Company's progress towards the approved strategic objectives and performance against business, operating and capital plans, and to alter its direction considering changing circumstances; and
- vi) review and approve significant changes to the plans.

C. Financial and Risk Issues

The Board has the responsibility to:

- i) take reasonable steps to ensure the implementation and integrity of the Company's internal control and management information systems;
- ii) ensure Management identifies the principal financial and non-financial risks of the Company and implements appropriate systems and programs to manage these risks;
- iii) monitor operational and financial results;
- iv) approve annual financial statements and approve release thereof by Management; and
- iv) appoint external auditors and approve auditors' fees.

D. Policies and Procedures

The Board had the responsibility to:

- i) approve and monitor, through Management, compliance with all major corporate policies and procedures that govern the Company's operations;
- ii) approve and act as the guardian of the Company's corporate values, including approving a Code of Conduct and Conflict of Interest Guidelines for the Company;
- iii) direct Management to ensure the Company always operates within applicable laws and regulations and to the highest ethical and moral standards; and
- iv) review significant new policies or material amendments to existing policies.

E. Stakeholder Communications

The Board must pay attention to the fact that it operates within a highly regulated environment. The actions of the Company have can have a significant impact on the financial services industry in Mauritius and there is a need to ensure communication with the regulators and the shareholders is effective and appropriate.

The Board has the responsibility to:

- i) ensure the Company has in place a plan/ policy to enable Management and the Board to communicate effectively with the stakeholders;
- ii) ensure the financial performance of the Company is adequately and promptly reported to the shareholders and regulatory authorities as appropriate;

- iii) ensure financial results are reported fairly and in accordance with governing laws and generally accepted accounting principles;
- iv) ensure timely reporting of any other developments that have a significant and material effect on the Company including recommendations to the regulators regarding amendments to legislation or policy to assist in the development of the Company and the Global Business sector; and
- v) report annually to the Shareholders on the Board's stewardship for the preceding year (Annual Report).

3 ROLES AND RESPONSIBILITIES SPECIFIC TO NEDS

NEDs are considered the custodian of corporate governance. Their role is strategic, as opposed to operational, as NEDs assist executive directors and senior management by providing an independent perspective. The independence of NEDs is crucial as it puts them in a unique position to both support and challenge executive directors and senior management. NEDs are also crucial in as far as they bring their external, professional experience and expertise to the Company.

NEDs must be impartial, have wide ranging skills and experience, specialised knowledge and be of reputable character. NEDs are expected to focus on matters at board level, and they should not be involved in the day to day running of the Company. This ensures that they maintain their independence.

Their key responsibility is to support the Company by contributing to:

Strategy: NEDs should constructively question and help executive directors and management determine the company's strategy and ensure it achieves its objectives.

Performance: monitoring and scrutinizing the performance of management in meeting agreed goals and objectives.

Risk: NEDs should satisfy themselves that the financial information provided by the Company is sound and that the financial controls and risk management systems are robust and defensible. It is also the entire board's responsibility to ensure that the Company accounts presented to its stakeholders represent a true and fair reflection of its actions and financial performance.

Oversight: determining appropriate levels of remuneration of executive directors and, where necessary, participating in appointing and removing senior management.

Access to a NEDs networks is critical as this helps the Company achieve its strategic and financial goals.

There is no legal distinction between executive directors and NEDS as NEDs have the same legal duties, responsibilities and potential liabilities as executive directors.

NEDs must attend board meetings and the Board of Directors determines what committees are established and which NEDs should be appointed to said committees. The following committees are usually established to advise, review, and approve management's strategic plans, decisions and actions in managing the Company:

- Audit and Risk Committee;
- Investments Committee;
- Nominations Committee;
- Remuneration Committee; and
- Corporate, Social and Ethics Responsibility Committee.

4 APPOINTMENT AND INDUCTION OF NEDS

It is essential that there is an induction process for new NEDs. This induction process should include meeting all the senior staff and visiting most of the operating units. The induction should include an understanding of the business environment, market sector and strategic issues.

The NED should allocate such times as is necessary for the proper performance of their duties. This includes but is not limited to attending board, committee and annual general meetings. It is important for NEDs to note that attendance of said meetings may necessitate overseas travel. In the result, NEDs are expected to enable, and where necessary, assist management in making the necessary arrangements. Additionally, NEDs must allocate enough time to prepare for the meetings by ensuring that they read and apply their minds to all the papers and documentation shared with them in anticipation for the meetings. NEDs may only excuse themselves from the Company's meetings under urgent and unavoidable circumstances.

The nature of a NED's role makes it impossible to be specific about the maximum time commitment and NEDs may be required to devote additional time to the Company in respect of preparation for *ad hoc* meetings, particularly when the Company is undergoing a period of increased strain or activity. Occasionally, it may be necessary to convene additional board, committee and general meetings.

NEDs should expect their overall time commitment to increase if they become a committee member or chair, or if the NED is given additional responsibilities such as being appointed the senior independent director or a NED on the board of any of the Company's subsidiaries. Details of the expected increase in time commitment will be covered in any relevant communication confirming the additional responsibility.

By accepting their appointment as a NED at BWL, the NED confirms that they can devote enough time to the Company and satisfactorily discharge their duties and responsibilities effectively. Should a NED consider accepting additional commitments, which commitments might affect their ability to devote enough time to the Company, the NED must advise and seek guidance from the Board Chairperson prior to accepting the commitment.

5. NED REMUNERATION

5.1 Overview

The fees for Non-Executive Directors serving on the BWL Board, its major subsidiaries, Board Committees and certain operational structures are revised annually and submitted for consideration to the Remco. The fees which require shareholder approval in terms of law are, further submitted for approval at the BWL annual general meeting.

In considering adjustments to the Non-Executive Directors' fees, various factors are considered, including a review of market analysis on the subject matter. Market benchmarking consider the size of the organisation as well as the complexity of the work performed. BWL, upon recommendation of the Remco, will work towards benchmarking the Non-Executive Director's fees within the range of the upper quartile (75th percentile).

5.2 Fees

Non-Executive Directors fees comprise a base fee (retention) and an attendance fee component. Non-executive directors and the Chairman do not receive performance incentive payments (short-term or long-term), share appreciation rights or options, pension fund benefits, loans on preferential terms or any other form of financial assistance.

Non-executive directors are entitled to receive allowances for attending meetings. They are also entitled to allowances where this is necessary to enable them to discharge their duties and obligations. Where Non-

Executive Directors incur expenses attending meetings and discharging their duties and obligations, they are entitled to be fully reimbursed for said expenses.

Non-executive director fees should be approved by shareholders in advance by way of non-binding special resolution, in accordance with Johannesburg Stock Exchange Listing Requirements at each annual general meeting. **The Chairperson of the Board and other committees are paid at higher levels than the other members.**

5.3 Commission

An integral part of a NEDs role is to share the NED's business and professional network with the Company in order to facilitate realization of the Company's strategic and financial objectives. NEDs are not ordinarily entitled to a commission or finder's fee for introducing a prospective investor or partner to the Company as this falls within the ordinary course and scope of their duties, which duties are remunerated in terms of paragraph 5.2 above.

The Company recognises, however, that there are instances where the Company may require the skills, experience, business and professional network specific to an individual NED and that this access and experience goes beyond what can be reasonably expected in terms of the ordinary role of a NED. Where a NED provides a service providing a direct and measurable economic benefit to the Company then the NED may be entitled to a success fee of not more than 1.5% of that measurable direct economic benefit accruing to the Company. Where a NED renders a specific professional service to the Company, the NED will be entitled to a fee which is based on what other professionals who provide similar services to the Company on an on-going basis are entitled to.

With specific regard to any success fee for work done during a capital raise, a NED must do more than introduce the Company to a prospective investor. The NED must be involved in a full capital raise process (that is book building, road shows and provision of additional services including post-closing support and assistance). Where a NED is comprehensively engaged in the capital raise process the NED is entitled on a sliding scale from 0.5% to 1.5 % commission (Depending on the level of involvement and degree of complexity) on the capital raised.

To ensure transparency and to avoid conflict, the NED and the Company are encouraged to entered into a **contractual agreement** wherein the roles and deliverables of the executive team and NED are clearly defined, as well as the fee payable for the services and resource provided.

NON-EXECUTIVE DIRECTORS POLICY DECEMBER 2018 FORMALLY ADOPTED AND APPROVED BY THE BOARD OF BRAINWORKS LIMITED ON THE 5TH OF DAY OF DECEMBER 2018

.....
CHAIRPERSON

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COMPANY SECRETARY