



# PRINCIPLES OF **CORPORATE GOVERNANCE**

The Group has adopted the following principles of Corporate Governance to assist Directors in the exercise of their responsibilities and provide the overall framework for the Group's good governance, inspired in the OECD Principles of Corporate Governance and the recommendations of the International Corporate Governance Network's (ICGN).

These principles are part of a system using regulation, standards and ethical guidelines to ensure that decisions are taken to the benefit of a sustainable long-term value for the shareholders and all the stakeholders and society.

These principles are reviewed on a regular basis and are not intended to supersede applicable laws and regulations, but along with the Group's codes, charters, policies and other further internal documentation, constitutes the common basis of good governance.

# FUNDAMENTAL VALUES OF GOOD GOVERNANCE



## INTEGRITY

In a collegial and individual manner, the board must support the Group in the implementation of its strategy in an honest, fair and transparent manner, in order to preserve its image, reputation and interests.



## DIVERSITY

Boards must be diverse and inclusive. Diversity in its broad sense, including diverse backgrounds, experiences, skills, gender diversity and inclusion of minorities.



## ACCOUNTABILITY

Directors' accountability implies that they take ownership of the actions and decisions taken and are able to communicate regularly, transparently and fairly, on the Group's achievements through an objective and intelligible assessment.



## TRANSPARENCY

The board must be willing to provide management and shareholders with clear information on financial and non-financial matters, and in particular on performance, in order to acquire and maintain the trust.



## INDEPENDENCE

Directors shall act with independence of analysis, of judgement of decision making and action, essential to the execution of their duties to serve the interests of the Group and its shareholders.

# ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

Board decisions are important as they affect shareholders, stakeholders and sometimes the entire society.

The board of Directors is responsible for determining the strategic orientations of the company's business with the aim of building sustainable long-term value. Board's functions will include oversight, development and evaluation of the corporate strategy, taking into account the risks, including non-financial risks as social, environmental and reputational ones, and matters that may affect corporate governance, shareholders relations and the Group's reputation, the definition and oversight of the compliance and ethics model.

The board of Directors functions as an autonomous management body in accordance with legal provisions and best practices identified by the Group.

The board must be as diverse and inclusive as possible, reflecting the relevance of the different competencies and background required; and being inclusive in terms of gender and ethnical or cultural minorities.

Unless otherwise provided under a specific regulation, the composition of board is reviewed on a regular basis, in order to ensure the optimal composition of the round table, the corporate interest of the company, and to promote stability and continuity in creating long-term shareholder value.

Directors shall act with independence and professionalism to serve the interests of the Group. It is critical to effective good corporate governance to provide an independent judgment to best serve the shareholders' interests. Accordingly, an independent Director shall not have any relationship that may affect or appear to affect such independence.

The Group assesses periodically the independence of board of Directors under relevant rules and regulations.

# DIRECTOR'S RESPONSIBILITIES

To build sustainable long-term value, the board shall represent the interests of shareholders, acting with a duty of care and loyalty, and exercising the following responsibilities:

- Ensuring that all activity by or on behalf of the Group is in compliance with relevant applicable laws, rules and regulations.
- Overseeing the compliance program and fostering a culture of compliance including ethical integrity and legal compliance.
- Approving corporate strategy and monitoring the implementation of strategic plans, ensuring the creation of sustainable long-term value.
- Reviewing and understanding the major risks and overseeing risk management processes.
- Approving and reviewing financial and non-financial statements and overseeing internal controls and procedures designed to detect and deter fraudulent activity.
- Reviewing, understanding and overseeing annual operating plans and budgets.
- Nominating Directors and committee members and overseeing effective corporate governance.

More generally, Directors shall exercise appropriate diligence while performing their duties and act in good faith, in the company's best interest.

Performing such duties requires full attendance to meetings and participation, remaining properly informed about the company's business and affairs, reporting in a transparent and clear manner the elements that have contributed to their decision-making process, and making inquiries about potential issues and that come to their attention. Their duties are not fulfilled until Directors are reasonably satisfied that those potential issues are addressed appropriately by the management of the company.

# CONFLICTS OF **INTEREST**

The board of Directors can sometimes be the place where conflicts of interest arise, because although decisions are governed by the corporate interest, it should be ensured at all times that the latter is not ignored during particular operations or decisions.

A conflict of interest refers to any situation in which a corporate officer, exercising his or her rights and powers, finds himself or herself in a situation in which he or she is required to choose between satisfying the moral and material interest of the company and satisfying a personal interest that is contrary to the corporate interest. Such a personal interest may be sought either outside the company or within the company, and may be material or moral.

OCP Group promotes the exercise of good practices aimed at detecting and preventing situations of conflict of interest, and provides Directors with appropriate assistance and training to support them in this exercise.

Thus, Directors are required, throughout their term of office, to assess for themselves whether their situation is likely to generate conflicts of interest. This results in an obligation of being regularly informed of the requirements related to the principles of governance, which evolve over time.

When a conflict of interest arises, OCP Group requires the concerned Director to declare it and refrain from participating in the debates and avoid suspicions that may alter the legitimacy of the deliberations.

# CONFIDENTIALITY AND NON-DISCLOSURE

In addition to the Director's individual right to ask the Chairman of the board of Directors for information, in order to enable an effective management of corporate affairs, OCP Group strongly encourages Directors to prepare their meetings by requesting relevant information that will help them to act in the interest of the company and to constructively contribute to the discussions, and to be regularly trained and updated in those matters that may affect the Group's long term success.

Thus, the role of the Chairman of the board of Directors is to assist them in obtaining this information. Also, he or she will be requested to provide Directors, before any meeting, with the necessary information to prepare for the discussions.

Beyond a simple obligation of discretion, in the interest of OCP Group, anyone attending a board meeting shall commit to complete discretion and non-disclosure of any information shared or discussed. This confidentiality obligation applies to any meeting.

# REPORTING **OBLIGATION**

OCP Group encourages promotion of ethical values, compliance with laws and regulations, and with the Group's Code of Conduct. Violation of such framework demands urgent attention and needs to be reported to the Group.

Accordingly, the Group ensures that all Directors comply with OCP's ethical standards, policies and any internal rule upholding good governance at the Group; with external laws and regulations and will promote awareness of the process to report any potential violation that come to their attention.

Anonymous reporting is possible and in any way, must be done in good faith.

In any event, individuals who report potential misconduct in good faith or who provide information or otherwise assist in any investigation or inquiry of potential misconduct will be protected against retaliation.

[www.ocpgroup.ma](http://www.ocpgroup.ma)

