

# Corporate Governance Report

*The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of an organization'. [The National Code on Corporate Governance 2016 (the "Code")]*

Recognizing and understanding the positive impacts that the Code can bring in an organization, MauBank Ltd ("MauBank" or the "Bank") has ensured that its strategies are aligned to the Code together with other applicable laws and guidelines, whereby, encouraging a culture and attitude that nurture the principles of Corporate Governance throughout decision making.

This report sets out the Bank's Corporate Governance processes and the role they play in supporting the delivery of the Bank's strategy and provides for explanations from any deviations from the Code.

This report is published on the Company's website, as part of the Annual Report.

## 1. Statement of Compliance by the Board

For matters of good governance, the Bank is guided by the Bank of Mauritius' Guideline on Corporate Governance, The National Code of Corporate Governance for Mauritius (the "Code") as revised in 2016 together with other fundamental legislations such as the Banking Act 2004 and the Mauritius Companies Act 2001.

The Bank has endeavoured to adhere to the principles as set out in the Code by taking matters at Board level and Committees of the Board. The Board is of view that there is no material deviation to be highlighted. In addition, the Bank has a Corporate Governance Committee to specifically discuss on Corporate Governance matters. The Bank's Corporate Governance system further comprises Management Forums, Internal and External Auditors, industry best practices as well as established policies and procedures across all operations.

The above-mentioned system provides structures for the following:

- Formulation of strategic directions and plans;
- Setting up of corporate objectives and budgets;
- Establishing clear lines of responsibility and accountability;
- Delegation of authority to management to implement Board approved plans and strategies and to operate the Bank's business on a day to day basis;
- Sanctioning of banking facilities to related parties and large credit exposure to a customer / group;
- Monitoring of performance and compliance with laws, regulations, policies and procedures;
- Risk Management framework;
- Internal control systems;
- Rewards and incentives;
- Succession planning for Executives; and
- Good governance practices.

To the best of its knowledge, the Board has relentlessly endeavoured towards attaining, adhering and maintaining throughout the financial year 2022-2023, the highest level of Corporate Governance in accordance with the Guideline on Corporate Governance issued by the Bank of Mauritius, the National Code for Corporate Governance and other relevant legislations.

## 2. Brief Overview of the Underlying Principles of the Code of Corporate Governance

The Code rests on eight (8) core principles that encourages the "apply and explain" approach, whereby, allowing organisations to adapt its practices to particular circumstances.

**These principles are:**

1. The Governance Structure
2. The Structure of the Board and its Committees
3. Director Appointment Procedures
4. Director Duties, Remuneration & Performance
5. Risk Governance and Internal Control
6. Reporting with Integrity
7. Audit
8. Relations with Shareholders and other key Stakeholders

### 2.1 PRINCIPLE 1: GOVERNANCE STRUCTURE

"All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified."

*"The board has the ultimate responsibility for the safety and soundness of the financial institution. It must oversee the institution's business strategy, internal organisation and governance structure, its risk management and compliance practices, and key personnel decisions. It is essential that there be a clear demarcation of responsibilities and obligations between the board and management. The board should be independent from management". (Bank of Mauritius Guideline on Corporate Governance)*

MauBank Ltd, a Public Interest Entity ("PIE"), is led by a unitary Board, which is collectively responsible and accountable for the decisions taken. To better discharge its duties, the Board of Directors delegates its powers to various Board Committees and Management Committees which operate in line with good corporate governance practices, while maintaining the ultimate accountability and responsibility for the affairs and performance of the Bank. The Board Charter, as approved by the Board, caters for the delegation of authority and provides the necessary mandates for the proper functioning of the below mentioned committees together with an effective oversight process.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED

### 2.1 PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board has constituted the following committees to assist effective implementation of its responsibilities:

- i. Audit Committee
- ii. Board Risk Management Committee
- iii. Nomination and Remuneration Committee
- iv. Board Investment & Credit Committee
- v. Corporate Governance Committee
- vi. Strategy and Finance Committee
- vii. Procurement Committee
- viii. Board Cybersecurity Committee

The Chief Executive (CE) together with management executives are responsible for the day to day operations of the Bank and regularly reports to the various Committees of the Board and ultimately to the Board of Directors which keeps an oversight that the decisions taken are in line with best practices inclusive of legal and regulatory requirements.

The Bank also ensures adherence to all its policies and procedures which are in line with the Guidelines issued by the Bank of Mauritius. The operating model of the Bank ensures segregation of duties and also well-defined lines of responsibilities of the sub committees are laid down through the Terms of Reference (ToR) of each Committee.

#### 2.1.1 Key Features of Board processes

In addition to its regular meetings, the Board can be convened as and when required.

Key decisions taken by the Board, include:

- Review and approval of monthly, quarterly and annual financial accounts;
- Review and approval of annual budget
- Review and approval of Corporate Strategy;
- Approval of Board Charter and the Terms of References of sub-committees;
- Ratification of Organisational Chart through the Nomination and Remuneration Committee;
- Ratification of key senior positions through the Nomination and Remuneration Committee;
- Approval of policies and procedures, inclusive of the Bank's Code of Conduct and Ethics.

#### 2.1.2 Website

As part of its obligations under the Code, the following documents can be found on the Bank's website:

- Constitution of the Bank;
- Organisation Chart;
- Directors' details

### 2.2 Principle 2: The Structure of the Board and its Committees

*"The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent, non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurating with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties."* (Bank of Mauritius Guideline on Corporate Governance)

#### 2.2.1 Board Size and Composition

The recommended number of Independent Director as per the BOM's Guideline on Corporate Governance and the Banking Act 2014 is 40 per cent of the Board composition.

The Board of MauBank Ltd is a unitary Board that currently comprises five (5) Independent Directors, representing 55.6 percent of the Board composition, three (3) Non-Executive Directors and one (1) Executive Director, who are all Mauritian residents. The Board includes directors from various industries and backgrounds which it believes is sufficient towards effective decision making. Moreover, with no alternate directors' discussions at Board and Committee levels, discussions and decision making are more productive and effective.

Currently with the membership of ten (9) Directors, the Board believes that it is commensurate to the Bank's current business activities. The Directors are appointed on the Board in accordance with laws of Mauritius and the constitution of the Bank. Their membership is renewed on an annual basis during the Annual Meeting of Shareholders. The last Annual Meeting was held on 22 December 2022.

For the financial year ended 30 June 2023, the Chief Executive was the sole Executive Director at the Bank and he was supported by a robust executive management team.

Recognising the importance of diversity, MauBank Ltd continues to engage in creating new and inspiring possibilities for women within the Bank. Presently, two women form part of the Executive Committee.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

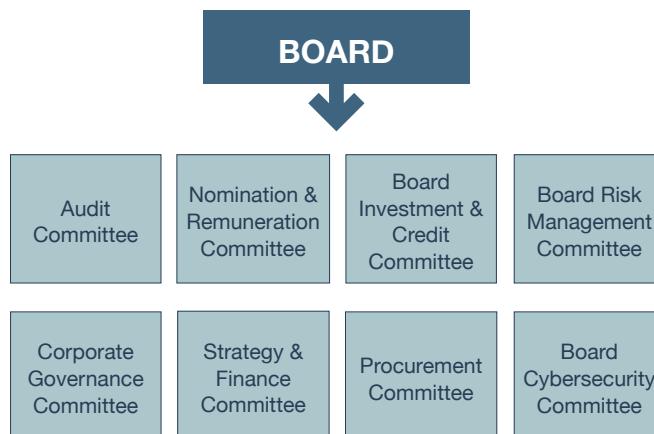
### 2.2.2 Board Composition



- Mr. Sookun Goroodeo  
Independent Director & Chairperson  
*(Appointed on 10 June 2020)*
- Mr. Rampersad Rabin  
Non-Executive Director  
*(Appointed on 19 September 2019)*
- Mrs. Vasseur-Soneea Alexandra  
Independent Director  
*(Appointed on 15 July 2021)*
- Mr. Mungar Premchand  
Executive Director  
*(Appointed on 23 November 2018)*
- Mr. Sokappadu Ramanaidoo  
Non-Executive Director  
*(Appointed on 03 October 2019)*
- Mr. Semjeevee Sivananda  
Independent Director  
*(Appointed on 15 July 2021)*
- Mr. Codabux Muhammad Javed  
Independent Director  
*(Appointed on 10 March 2017)*
- Mr. Kokil Anil Kumar  
Independent Director  
*(Appointed on 15 July 2021)*
- Mr. Jeetoo Mohamad Fardeen  
Non-Executive Director  
*(Appointed on 15 July 2021)*

### 2.2.3 The Board, its committees structure & mandate

#### 2.2.3.1 Board and Committees Structure



## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.3 The Board, its committees structure & mandate

#### 2.2.3.2 Board Mandate

The Board as empowered by the Bank's Constitution and Charter is responsible, among others, to:

- Function independently of management;
- Operate at a higher level than management;
- Exercise leadership, enterprise, intellectual honesty, integrity and judgement in directing the Bank so that it achieves sustainable prosperity;
- Ensure that policies, procedures and practices are in place to protect the Bank's assets and reputation;
- Consider the necessity and appropriateness of installing a mechanism by which breaches of the principles of corporate governance may be reported;
- Monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
- Ensure that there is a suitable induction and evaluation program in place which meets specific needs of the Bank and its directors;
- Appoint the CE and ensure that succession is professionally planned in good time; and
- Balance 'conformance' and 'performance'. Conformance is compliance with the various laws, regulations and codes governing organisation. Ensuring performance requires the development of a commensurate enterprise culture within the organisation so that returns to shareholders are maximized while respecting the interests of other stakeholders.

#### 2.2.3.3 Board Attendance

Directors are expected to attend, in person or by teleconference, Board meetings, except in exceptional circumstances. The following table gives the record of attendance at meetings of the Bank's Board during the financial year ended 30 June 2023:

Members	Date of Appointment	Board Status	Meeting Attendance
<b>SOOKUN Gooroodeo</b> ( <i>Chairperson</i> )	10-Jun-2020	Independent Director	11/11
<b>MUNGAR Premchand</b>	23-Nov-2018	Executive Director	11/11
<b>NICOLAS Jean Marie Cyril</b>	13-Mar-2015	Independent Director	2/11
<b>CODABUX Muhammad Javed</b>	10-Mar-2017	Independent Director	9/11
<b>RAMPERSAD Rabin</b>	19-Sep-2019	Non-Executive Director	4/11
<b>SOKAPPADU Ramanaidoo</b>	03-Oct-2019	Non-Executive Director	10/11
<b>KOKIL Anil Kumar</b>	15-July-2021	Independent Director	10/11
<b>VASSEUR-SONEEA Alexandra</b>	15-July-2021	Independent Director	9/11
<b>SEMJEVEE Sivananda</b>	15-July-2021	Independent Director	11/11
<b>JEETOO Mohamad Fardeen</b>	15-July-2021	Non-Executive Director	11/11

### 2.2.4 Committees of the Board

The Audit Committee, Conduct Review Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee were constituted on 31 March 2016. The Board Investment and Credit Committee was constituted on 31 March 2016 and reconstituted as the Board Investment & Credit Committee on 05 November 2019.

The Strategy and Finance Committee was reconstituted on 27 July 2021.

The Procurement Committee was constituted on 27 July 2021.

The Board Cybersecurity Committee was constituted on 21 June 2022.

Following the revised Bank of Mauritius Guideline on Related Party Transactions issued in May 2022, the Conduct Review Committee was dispensed with on 21 June 2022 and its roles and responsibilities have been entrusted to the Board.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.4.1 Audit Committee

#### Mandate

The Audit Committee's principal function is to oversee the Bank's financial reporting process, monitor the internal control systems, review financial statements, provide support to the Board of Directors on compliance, audit and financial matters, oversee performance of external and internal auditors of the Bank and review internal and external inspections.

The Committee was reconstituted on 27 July 2021 and the current composition is as follows:

- Mr. Kokil Anil Kumar (Chairperson)
- Mr. Sookun Gooroodeo
- Mr. Semjevee Sivananda

#### Committee Attendance

The Directors who served on the Audit Committee and their attendance during FY 2022/2023 are as follows:

Members	Board Status	Meeting Attendance
<b>KOKIL Anil Kumar</b> ( <i>Chairperson</i> )	Independent Director	8/8
<b>SOOKUN Gooroodeo</b>	Independent Director	4/8
<b>SEMJEVEE Sivananda</b>	Independent Director	8/8

### 2.2.4.2 Nomination and Remuneration Committee

#### Mandate

The Nomination and Remuneration Committee is a committee of the Board which has the responsibility of selecting competent and qualified personnel and making recommendations to the Board of Directors. The Committee aims to retain and attract qualified and experienced personnel for the smooth running of the Bank.

The roles of this Committee are to review corporate objectives and budgets, senior executives' performance, reward policy and approve productivity bonus policy to employees, approve salary revisions, service conditions and staff welfare policy, approve recruitment or promotion of top managers, review irregularities and serious offences, recommend recruitment and terms of contract of employment of the Chief Executive and other Senior Officers, review and recommend nomination of suitable persons eligible as candidate for directorship, in accordance with Fit and Proper Person Policy and the BOM Guideline on Corporate Governance.

The Nomination and Remuneration Committee also reviews the Bank's Organisational Chart, which is ultimately tabled at Board Level for ratification.

The Committee was reconstituted on 26 April 2022 and the current composition is as follows:

- Mr. Sokappadu Ramanaidoo (Chairperson)
- Mr. Mungar Premchand
- Mr. Semjevee Sivananda
- Mrs. Vasseur-Soneea Alexandra
- Mr. Jeetoo Mohamad Fardeen

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.4.2 Nomination and Remuneration Committee (Cont'd)

#### Committee Attendance

The Directors who served on the Nomination and Remuneration Committee and their attendance at committee meetings during FY 2022/2023 are as follows:

Members	Board Status	Meeting Attendance
SOKAPPADU Ramanaidoo (Chairperson)	Non-Executive Director	4/4
SEMJEVEE Sivananda (as from 26 April 2022)	Independent Director	4/4
JEETOO Mohamad Fardeen (as from 26 April 2022)	Non-Executive Director	4/4
VASSEUR-SONEEA Alexandra	Independent Director	4/4
MUNGAR Premchand	Executive Director	4/4

### 2.2.4.3 Board Investment and Credit Committee

#### Mandate

The Board Investment and Credit Committee reviews and approves credit proposals above Rs. 100 million. This Committee is held as and when the need arises. The Committee also approves all relevant policies pertaining to Investment and Credit of the Bank.

The Committee was reconstituted on 27 July 2021 and the current composition is as follows:

- Mr. Codabux Muhammad Javed (Chairperson)
- Mr. Mungar Premchand
- Mr. Sokappadu Ramanaidoo
- Mrs. Vasseur-Soneea Alexandra.

#### Committee Attendance

The Directors who served on the Board Investment & Credit Committee and their attendance at committee meetings during FY 2022/23 are as follows:

Members	Board Status	Meeting Attendance
CODABUX Muhammad Javed (Chairperson)	Independent Director	15/15
SOKAPPADU Ramanaidoo	Non-Executive Director	15/15
VASSEUR-SONEEA Alexandra	Independent Director	13/15
MUNGAR Premchand	Executive Director	13/15

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.4.4 Board Risk Management Committee

#### Mandate

The main responsibilities of the Board Risk Management Committee are the identification and oversight of the principal risks at the Bank, including but not limited to credit, market, liquidity, operational, compliance and regulatory and reputational risks and the actions taken to mitigate them. It is also responsible to advise the Board on the Bank's overall current and future risk appetite, tolerance and strategy and oversee Senior Management's implementation of the risk appetite framework and reporting on the state of risk culture in the Bank to the Board.

The Committee was reconstituted on 26 April 2022 and the current composition is as follows:

- Mr. Jeetoo Mohamad Fardeen (Chairperson)
- Mr. Mungar Premchand
- Mr. Kokil Anil Kumar
- Mr. Semjeevee Sivananda

#### Committee Attendance

The Directors who served on the Board Risk Management Committee and their attendance during FY 2022/2023 are as follows:

Members	Board Status	Meeting Attendance
<b>JEETOO Mohamad Fardeen (Chairperson)</b>	Non-Executive Director	3/3
<b>MUNGAR Premchand</b>	Executive Director	3/3
<b>KOKIL Anil Kumar</b>	Independent Director	3/3
<b>SEMJEVEE Sivananda</b>	Independent Director	3/3

### 2.2.4.5 Corporate Governance Committee

#### Mandate

The Committee is responsible to determine, agree and develop the Bank's general policy on corporate governance in accordance with applicable Codes, Guidelines and Legislations. It should also ensure that the corporate governance report and disclosures to be published in the Bank's annual report are in compliance with provisions of all applicable Codes, Guidelines and Legislations.

Specifically, the duties of the Committee are to:

- Develop and recommend to the Board a corporate governance framework and a set of corporate governance guidelines.
- Review and evaluate the implementation of the corporate governance guidelines within the organisation.
- Periodically review and evaluate the effectiveness of the organisation's Code of Business Conduct and Ethics.
- Ensure that an adequate process is in place for the Board and senior management to compliance with the organisation's Code of Business Conduct and Ethics.
- Review the position descriptions of the chairperson, deputy chairperson, and Board committee chairs and recommend any amendments to the Board.
- Review and recommend the implementation of structures and procedures to facilitate the Board's independence from management.
- Review annually with the Board the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, age, skills, gender and experience required for the Board as a whole.
- Make recommendations to the Board with respect to the size and composition of the committees of the Board including the corporate governance committee.
- Make recommendations on the frequency, structure and functioning of Board meetings and Board committee meetings.
- Monitor and evaluate the functioning of committees and make any recommendations for any changes including the creation and elimination of committees.
- Develop charters for any new committees established by the Board and review the charters of each existing committee and recommend any amendments to the charter.
- Review any notice given by an individual director that the director intends to retain as an outside advisor at the expense of the organisation.
- Review all related party transactions and situations involving board members and refer where appropriate to the Board or the shareholders general meeting.

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.4.5 Corporate Governance Committee (Cont'd)

#### Mandate

- Oversee the evaluation of the Board as a whole, its committees and individual directors. If the evaluation is being conducted internally, oversee Board performance and report annually to the Board with an assessment of the Board's performance.
- Review its own performance annually.
- Keep up to date and fully informed about strategic issues and commercial changes affecting the bank and the market in which it operates.
- Periodically receive a report from Legal Counsel or Chief Compliance Officer or Company Secretary or Chief Governance Officer on compliance issues.
- Ensure that an adequate process is in place for the Board and senior management to comply with the Mauritius Code of Corporate Governance.
- Work and liaise as necessary with all other Board committees.

The Committee was reconstituted on 31 January 2022 and the current composition is as follows:

- Mr. Sokappadu Ramanaidoo (Chairperson)
- Mr. Mungar Premchand
- Mr. Kokil Anil Kumar
- Mr. Jeetoo Mohamad Fardeen
- Mrs. Vasseur-Soneea Alexandra
- Mr. Codabux Muhammad Javed

#### Committee Attendance

The Directors who served on the Corporate Governance Committee and their attendance during FY 2022/2023 are as follows:

Members	Board Status	Meeting Attendance
<b>SOKAPPADU Ramanaidoo</b> ( <i>Chairperson</i> )	Non-Executive Director	1/1
<b>MUNGAR Premchand</b>	Executive Director	1/1
<b>KOKIL Anil Kumar</b>	Independent Director	1/1
<b>JEETOO Mohamad Fardeen</b>	Non-Executive Director	1/1
<b>VASSEUR-SONEEA Alexandra</b>	Independent Director	1/1
<b>CODABUX Muhammad Javed</b> (as from 31 January 2022)	Independent Director	0/1

### 2.2.4.6 Strategy and Finance Committee

#### Mandate

The duties of the Committee are to advise the Board on the overall short and long term strategy of the Bank and monitor the Bank's long-term financial stability, to consider and approve strategic and financial plans of the Bank for recommendation to the Board, to oversee and monitor implementation of the Bank's Strategic Plan and its associated financial plans, to advise management in relation to the Bank's capital structure and its underlying equity/debt funding strategy and to monitor the Bank's quarterly financial performance.

The Committee was reconstituted on 27 July 2021 and the current composition is as follows:

- Mr. Rampersad Ravin (Chairperson)
- Mr. Sookun Goroodeo
- Mr. Mungar Premchand
- Mr. Sokappadu Ramanaidoo
- Mr. Jeetoo Mohamad Fardeen

No meeting was held during the FY 2022/2023.



# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.4.7 Procurement Committee

#### Mandate

The duties of the Committee shall be to review certain revenue and capital expenditure of the Bank to ensure that the Bank's expenditure is appropriate in the pursuit of the Bank's operations, including evaluating and making recommendations to the Board on any acquisition or disposal and/or any undertaking or part of any undertaking of the Bank, approving any emergency procurements, monitoring, evaluating and reviewing management's procedures for procurement, on a regular basis and the controls in place to ensure value for money and determine and set inbuilt accountability parameters for management in case of failure and reviewing the Bank's procurement policy for recommendation to the Board.

The Committee was reconstituted on 27 July 2021 and the current composition is as follows:

- Mr. Nicolas Jean Marie Cyril (Chairperson up to 22 December 2022)
- Mr. Mungar Premchand
- Mr. Codabux Muhammad Javed (Acting Chairperson as from 25 January 2023)
- Mr. Semjeevee Sivananda
- Mrs. Vasseur-Soneea Alexandra

#### Committee Attendance

The Directors who served on the Procurement Committee and their attendance at committee meetings during FY 2022/23 are as follows:

Members	Board Status	Meeting Attendance
NICOLAS Jean Marie Cyril <i>(Chairperson up to 22 December 2022)</i>	Independent Director	3/4
MUNGAR Premchand	Executive Director	4/4
CODABUX Muhammad Javed <i>(Acting Chairperson as from 25 January 2023)</i>	Independent Director	4/4
VASSEUR-SONEEA Alexandra	Independent Director	4/4
SEMJEVEE Sivananda	Independent Director	4/4

### 2.2.4.8 Board Cybersecurity Committee

#### Mandate

The duties of the Committee are to assist the Bank in fulfilling its Cybersecurity risks management and control responsibilities. The Committee ensures Cybersecurity is managed in a manner consistent with the Bank's strategic objectives, regulatory requirements and its approved operational risk appetite. It oversees Senior Management's implementation of the cybersecurity and information security risk appetite framework and reporting on the state of cybersecurity and information security culture in the Bank. It also considers and approves recommendations in respect to cybersecurity and information security.

The Committee was constituted on 21 June 2022 and the current composition is as follows:

- Mr. Kokil Anil Kumar (Chairperson)
- Mr. Mungar Premchand
- Mrs. Vasseur-Soneea Alexandra
- Mr. Semjeevee Sivananda

#### Committee Attendance

The Directors who served on the Board Cybersecurity Committee and their attendance at committee meetings during FY 2022/2023 is as follows:

Members	Board Status	Meeting Attendance
KOKIL Anil Kumar <i>(Chairperson)</i>	Independent Director	2/2
MUNGAR Premchand	Executive Director	2/2
VASSEUR-SONEEA Alexandra	Independent Director	2/2
SEMJEVEE Sivananda	Independent Director	2/2

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.2.5 Directors' Independence

With around 56% of independent directors on its Board, the Bank ensures that the decision taking processes are independent, in the best interest of the Bank. Moreover, by also taking into consideration the guidance put forth by the Code, the Board ensures that Directors form an independent view on any related matter presented at Board Level and any conflict, real or potential, is brought to the attention of the Board decision taking. This ensures that decisions taken are equitable for all concerned parties.

As guidance, the Code has provided for added criteria to determine the independence of a Director:

- Has the director been an employee of the Bank or Group within the past three years?
- Has the director had within the past three years, a material business relationship with the organisation either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the organisation?
- Has the director received additional remuneration from the organisation apart from a director's fee or as a member of the organisation's pension scheme?
- Is the director a nominated director representing a substantial shareholder?
- Has the director close family ties with any of the organisation's advisers, directors or senior employees?
- Has the director cross directorships or significant links with other directors through involvement in other companies or bodies?
- Has the director served on the Board as per term of office prescribed by the Bank of Mauritius guideline on Corporate Governance?

The Board considers that with the Government of Mauritius being a substantial shareholder of the Bank, nominated directors forms part of the prevailing norm in Mauritius. Also, being State-Owned, there is an implied duty towards the public and being answerable to decisions which are taken. As such, any nominated director further ensures that decisions taken at Board level are to the best interests of all concerned stakeholders.

### 2.2.6 Company Secretary

The Bank's Secretary to the Board is guided by its Constitution, the Companies Act 2001 as well as other Guidelines issued by the BOM and the Code. Directors may consult and liaise directly with the Secretary should the need arise, who acts as an 'Independent and Trusted Adviser' of the Directors. The Secretary ensures that all relevant Legislations, Guidelines and any such codes are adhered to by the Board and provide for advice on corporate governance matters as and when required.

In addition, the Board have access to independent professionals for further advice.

The details on the Company Secretary can be found in the Administration section on page 240.

## 2.3 PRINCIPLE 3: DIRECTORS APPOINTMENT PROCEDURES

*"There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The Search for Board candidates should be conducted and appointments made on merit against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key office holders."* (The National Code of Corporate Governance for Mauritius).

### 2.3.1 Directors' appointment, election, induction and re-election of directors

Following its mandate, the Nomination and Remuneration Committee has set specific procedures, including a Directors' Onboarding Checklist, have been put in place for newly appointed directors to familiarize themselves with the Bank's overall structure as well as their expected roles and responsibilities as per the Mauritius Companies Act 2001, the Bank's Constitution, the Board and Committees' Terms of References as well as other Guidelines and the Code.

The Board is responsible for the induction of newly appointed Directors and it ensures that they are given a well thought out induction programme to help them acquaint with the proceedings of the Board. Accordingly, on appointment, directors are provided with a comprehensive 'Directors' Induction' pack comprising, amongst others, of the above-mentioned documents and receive appropriate induction and orientation process on their expected roles and responsibilities.

Additionally, regular training programs are arranged for all the Bank's directors to help them better discharge their responsibilities as members of the Board.

The directors adhere to the provision in the Guideline on Corporate Governance which allows a director to serve for a maximum term of six years. Recognising the need to have a formal succession plan at the Bank, a 'Succession Planning for Directors' has been drafted and implemented, based on the feedback provided by Directors in their evaluation exercise.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.3.2 Biographies of Directors

The directors' profile is described in the "Administrative Information" Section.

### 2.3.3 Website

As per the recommendations of the Code under principle, the following can be found on the Bank's website:

- Profile of individual directors

## 2.4 Principle 4: Director Duties, Remuneration and Performance

*"Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, Committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives."* (The National Code of Corporate Governance for Mauritius).

### 2.4.1 Legal Duties of Directors

Directors are apprised of their role when joining the Bank. A Directors' Induction Handbook ("Handbook") is provided to each and every director on onboarding and includes some key legal and regulatory requirements, inclusive of the Mauritius Companies Act 2001, the Banking Act 2004, Bank of Mauritius' Guideline on Corporate Governance as well as the National Code of Corporate Governance.

The Handbook outlines the roles, responsibilities and duties of the Directors as per below:

- to act in accordance with the Bank's constitution;
- to promote the success of the Bank;
- to exercise independent judgement;
- to use reasonable care, skill and diligence;
- to avoid conflicts of interest;
- not to accept benefits from third parties nor to gain advantage from the use of the position as a director;
- to act in good faith for the benefit for the Bank; and
- to use powers for a proper purpose for the benefit of members as a whole.

### 2.4.2 Evaluation of the Board, its Committees and individual directors

As part of their duties and commitment towards constructive decision making, directors carry out an evaluation exercise that helps assess the overall effectiveness of the Board and its Committees, as well as getting an overall view of the knowledge areas of the directors. The evaluation exercise was carried out during the financial year 2020/2021.

The evaluations will encompass the following:

- Composition of the Board – with reference to age and gender;
- Composition of Committees of the Board;
- Regulatory Environment;
- Technological Environment;
- Relationship between the Board and Management;
- Allocation of time during the Board and Committees;
- Quality of information provided; and
- Timeliness of information provided.

### 2.4.3 Directors' Interests and Dealings in Shares

The Company Secretary maintains an interest register and is available for consultation to shareholders upon request.

The Directors have no direct or indirect interest in the share capital of the Bank. The shares of the Bank are not quoted on the stock exchange and hence there were no dealings in shares by its Directors.

Pursuant to section 48 of the Banking Act 2004, the Bank has a rigorous procedure for the management of conflicts of interest. All directors are required to disclose any interest they may have in any activity of the Bank.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.4.4 Related Party Transactions and Practices

The Guideline on Related Party Transactions (revised in May 2022) issued by the Bank of Mauritius, is made up of 5 sections:

- Governance Framework;
- Rules Governing Related Party Transactions;
- Monitoring of Related Party Transactions;
- Disclosure and Regulatory Reporting; and
- Transitional Provisions.

Related parties, whether body corporate or natural persons, fall into two main categories:

- (a) Those that are related to a financial institution because of ownership interest; and
- (b) Those that are related otherwise, such as directors and senior officers who may also have some ownership interest in the financial institution.

Related party transactions include:

- (a) Credit exposure, that is credit, financial leasing, non-fund based commitments such as documentary credits, guarantees on behalf of a related party, acquiring a loan made by a third party to a related party, investment in equity or other debt instruments of a related party, and any other commitment to provide funds or substitute of funds to a related party;
- (b) placements made by the financial institution with a related party;
- (c) conditional sales agreements with a related party;
- (d) consulting or professional service contracts with a related party;
- (e) deposits placed with the financial institution by a related party
- (f) acquisition, sale or lease of assets of a related party; and
- (g) any pecuniary relationship or other transactions or arrangement with a related party (including by way of service arrangements or contracts).

The Guideline outlines 3 categories of credit exposures to related parties and prescribes the regulatory limits applicable.

In line with the Related Party Transactions, the Board of directors of the Bank has established a policy on related party transactions. The Policy sets out prudent rules and internal limits.

Related party reporting to the Bank of Mauritius is done on a quarterly basis. Ongoing monitoring and reporting related party transactions are also carried out in the Credit Risk Monitoring Committee, Risk Management and Corporate Governance Committees and at Board's level.

### 2.4.5 Access to information

As part of their obligations, directors are furnished with adequate information as and when required by various key members of managements. This information is provided in a timely manner and are inclusive of reports from various departments of the Bank. Additionally, the directors receive independent reports through the Bank's internal auditor, Compliance Department and the external auditor.

The directors have access to all required documentation and to the Company Secretary for any eventual queries and additional information.

### 2.4.6 Information Technology and Information Security ("IT")

The strategic projects and a high-level implementation plan are presented to the Board on regular basis. The Board is also apprised on the progress of these projects. These projects are reviewed at an operational level through the IT Steering Committee created for the purpose involving the Project Sponsors from business and the team members to review and take appropriate measures to achieve the milestones as expected.

For the IT policies, these are reviewed on a regular basis and presented to the Board for approval and ratification. Also, as part of governance, the performance of the IT systems project is reviewed through a monthly IT Steering Committee and submitted to EXCO for update together with Change Management governances that have been put in place for periodic review.

As part of the Business Continuity Plan (BCP), an annual Disaster Recovery drill is conducted involving the business unit to test the effectiveness of recovery and measured through Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) agreed with the business unit. A consolidated report as an outcome of the drill is usually presented to the Board for information. The Disaster Recovery drill activity was conducted in phases for financial year 2022/2023 and was completed successfully. Furthermore, the bank has put in place appropriate governance structure to separate activities of the IT division and the division responsible to monitor compliance with IT Security policies and standards.

# Corporate Governance Report

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## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.4.6 Information Technology and Information Security (“IT”) (Cont'd).

Independent regular monitoring and adherence checks to IT Security policies are carried out and reported to Management of the bank.

The new Board Cybersecurity Committee which was set up on 21 June 2022 assists the bank in fulfilling its Cybersecurity risks management and control responsibilities.

Information Security Policies are in place to define requirements for the protection of the information assets of the bank. Policies are regularly updated and ratified by the Executive Committee.

Significant IT expenditure is approved at the level of the Board.

### 2.4.7 Directors' Remuneration

The fees payable to the Chairperson of the Board of directors and the other directors of MauBank Ltd have been determined by the Ministry of Finance, Economic Planning & Development. The remuneration and other benefits received by the directors for MauBank Ltd and MauBank Investment Ltd amounted to **Rs 29,094,744** for the year ended 30 June 2023 compared to Rs 20,574,691 for the year ended 30 June 2022.

Directors' remuneration is in line with current market practice and is commensurate with their level of commitment towards their obligations as Directors of the Bank.

In line with the requirements of the Code, the Bank's Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with organisational performance. Remuneration for the Executive Director comprises a base salary and short-term benefits which reflect his responsibilities and experience, as well as a variable element in the form of a bonus, determined by the performance of both the Bank and the individual.

	Year ended 30 June 2023	Year ended 30 June 2022
	Rs	Rs
Executive Director*	25,024,494	15,865,691
Non-Executive Directors	4,070,250	4,709,000
	<b>29,094,744</b>	20,574,691

\* This figure comprises the salary of the Chief Executive and bonus paid in arrears. The Chief Executive does not derive any other remuneration.

### 2.4.8 Statement of Remuneration Philosophy

The Bank has a Nomination and Remuneration Committee which is a Committee of the Board, and it has the responsibility of approving the selection of competent and qualified personnel. The Committee aims to promote fair and competitive employee remuneration that incentivizes performance and helps in attracting and retaining talent. Qualifications, skills, scarcity, past performance, individual potential, market practices, responsibilities shouldered, and experience are among other factors which influence the remuneration package.

Employee Benefits:

- The Bank currently contributes a percentage of the employees' basic salaries to a pension scheme to provide for a retirement pension at the end of the employees' professional career;
- The Bank provides employees with loans under preferential interest rates and conditions;
- The Bank grants employees a monthly travelling allowance, with the amount varying according to their job grades and responsibilities; and
- The Bank provides medical coverage for all employees and their dependents.

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.5 Principle 5: Risk Governance and Internal Control

"The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management." (The National Code of Corporate Governance for Mauritius).

The Board should ensure the maintenance of a sound internal control system.

The Bank's internal controls help ensure it achieves its objectives in operational effectiveness and efficiency, reliable financial reporting, and in compliance with laws, regulations and policies. They also help ensure that the Bank's risk management activities operate as designed and that the management of risk is carried out appropriately.

During the year there were no significant or material deficiencies in the Bank's Internal Control systems that the management are not aware of. Management was not aware of any significant area not covered by Internal Control systems.

Please refer to the Management Discussion and Analysis section within this annual report for risk management disclosures.

#### 2.5.1 Whistleblowing Policy

The Bank has a Whistleblowing Policy in place for employees to raise concerns internally and at a high level, and also disclose any information which the employee believes shows malpractice and impropriety.

These concerns could include:

- Failure to comply with a legal obligation or statutes.
- Criminal activity.
- Improper conduct or unethical behavior as quoted in the Bank's Code of Conduct and Ethics Policy and in contravention with generally acceptable standards of business practice in the banking industry.
- Conduct which is an offence or a breach of law.
- Disclosures related to lapses of justice and unfairness.
- The unauthorized use of the Bank's funds, assets and information.
- Possible cases of fraud, corruption and money laundering cases.
- Attempts to conceal any of the above.

The Board has considered the whistle blowing complaints in FY 2022/2023 and instituted internal inquiries to assess the same. The reports from the internal inquiries are delivered to the Board to make an informed decision.

This Policy aims to:

- Encourage employees to feel confident about raising their apprehensions and to question any act that may raise concerns about practices that may bring disrepute to the Bank and/or cause financial or other loss to the Bank and/or any malicious act that may adversely affect a staff member.
- Provide avenues for employees to raise those concerns and receive feedback on any action taken.
- Reassure employees that they will be protected from possible reprisals or victimization if they have reasonable belief that they have made any disclosure in good faith.
- Minimize the Bank's exposure to the damage that can occur when employees circumvent internal mechanisms.
- Ensure that employees understand the importance of adhering to the Bank's Code of Conduct and Ethics Policy, as well as other applicable policies.

### 2.6 Principle 6: Reporting with Integrity

"The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report." (The National Code of Corporate Governance for Mauritius).

#### 2.6.1 Directors' Responsibilities in respect of the Financial Statements

Company law requires the directors to prepare financial statements for each financial period which present fairly the financial position, performance and cash flows of the Group. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business in the foreseeable future; and
- State whether the Code of Corporate Governance has been adhered to, or if not, give reasons where there has been no compliance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them to ensure that the financial statements comply with the requirements set out in the Bank of Mauritius Guideline on Public Disclosure of Information, International Financial Reporting Standards, the Financial Reporting Act 2004, the Mauritius Companies Act 2001 and the Banking Act 2004. They are also responsible for safeguarding the assets of the Group and, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and maintain an effective system of internal controls and risk management.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

# Corporate Governance Report

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## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.6.1 Directors' Responsibilities in respect of the Financial Statements

Company law requires the directors to prepare financial statements for each financial period which present fairly the financial position, performance and cash flows of the Group. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements;
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The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them to ensure that the financial statements comply with the requirements set out in the Bank of Mauritius Guideline on Public Disclosure of Information, International Financial Reporting Standards, the Financial Reporting Act 2004, the Mauritius Companies Act 2001 and the Banking Act 2004. They are also responsible for safeguarding the assets of the Group and, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and maintain an effective system of internal controls and risk management.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

### 2.6.2 Corporate Social Responsibility ("CSR")

Year on year, the bank pursues its Corporate Social Responsibility programme with the partnership of Non-Government Organisations (NGOs) for the advancement of social projects. We are of the view that as an ethical organization, our goals should continuously reflect the interaction of profit-maximization behavior with non-economic concerns. By devoting a yearly budget to community initiatives, the bank endeavors to strengthen its role in contributing to the social and economic growth of society through poverty alleviation, community empowerment and social inclusion.

The Bank's CSR objectives have remained focused on the reduction of social vulnerabilities and inequalities, particularly among children, youth and women, and on access to education for a more sustainable and inclusive development.

In line with the eligibility criteria/sectors of the National Social Inclusion Foundation, the bank has focussed on four main axes of intervention, namely:

1. Medical Assistance
2. Integration of Children with Disabilities
3. Support to after-school care centers and learning corners
4. Substance Abuse
5. Protection and preservation of the environment

During the financial year 2022/2023, the Bank has partnered with six NGOs on their projects in the five above named areas:

#### Cleft Care Mauritius (CCM)

Cleft Care Mauritius (CCM) is an NGO which acts as a facilitator for children born with Cleft and who cannot afford expenses of surgical interventions, locally or abroad. Its main objective is to reach out to patients who need to undergo surgical interventions, with the mission of helping them access medical facilities, and bringing a smile to all children and adult born with cleft. MauBank has supported CCM towards:

1. The purchase of starter kits for babies born with cleft – the starter kit comprises special feeding material for babies, post-surgery gel and aspiration accessories. The purpose is to provide parents with appropriate equipment to give care to their new-born babies so that they can go through the first weeks after childbirth. The special feeding bottle helps babies get enough intra-oral pressure for sucking as the cleft causes an air leak.
2. The Surgery costs of patients born with cleft; after surgical intervention, the beneficiaries get substantially improved capacity to eat and talk properly, thus allowing them to lead a normal life.
3. Hiring the services of a Speech Therapist to accompany people with cleft towards establishing correct articulation (placement, manner, and voicing) using specific therapy techniques.

# Corporate Governance Report

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.6.2 Corporate Social Responsibility (“CSR”) (Cont'd)

#### The Trevor Huddleston Association

The Trevor Huddleston Association also known as CareCo in Rodrigues was founded with the collaboration of Craft-Aid Mauritius, and is active in the field of education and training of children living with disabilities and coming from poor families. Its aim is to increase children’s access to special care for optimal growth and development.

The NGO also provides service of audiology, tympanometry, ear-mould making, as well as fitting and programming of hearing aids. The Bank has been funding projects of the NGO since 2017 and recently funded the purchase of an audiometer and a tympanometer. These equipment will enable children in Rodrigues having hearing impairment to be diagnosed and prescribed the appropriate hearing aids so that they may hear and communicate more easily.

To further facilitate the integration of children with disabilities, the bank has supported the association in setting up of a computer lab. Computers and software have been purchased to be used for the Information Technology literacy and autonomy programme of children.

#### Association of Disability Service Providers (ADSP)

Association of Disability Service Providers (ADSP) was founded in 2003. ADSP is a specialized needs school for children and young adults having physical impairment and learning difficulties. Its mission is to provide academic and non-academic education to children and young adults with special education needs to promote social inclusion in the community. MauBank has been supporting ADSP for the last seven years and has been collaborating closely with the NGO for its infrastructural development, the purchase of a van and specialized equipment for the sensory room amongst others.

In 2022, the Bank has financed additional equipment for the sensory room to cater for new rehabilitation techniques for the students who need sensory stimulation therapies, kitchen equipment for a cookery programme to teach students how to cook and bake – with the aim of empowering the students to become autonomous and independent, whereby they can join workplaces within the cooking industry or start their own cooking business and earn a living. The services of a psychologist for therapy that will contribute towards improving the self-esteem of the students and help them cope with their daily struggles, alongside, provide guidance to the parents to better handle and understand their children have also been taken care of.

This year the bank has participated in the upgrade of ADSP’s computer lab by adding more sets of computers so that a greater number of children may benefit from the IT literacy classes for employability and economic empowerment and inclusion.

#### Elles C Nous Association

Elles C Nous Association is an NGO which was established in June 2007. The association welcomes children from vulnerable families after school hours on a daily basis from Monday to Saturday. It has around 70 registered children aged between 5 to 17 years, coming from vulnerable families. The NGO takes care of children, residing mainly in the region of Beau-Bassin, suburbs of Rose-Hill, La Tour Koenig and Pointe aux Sables amongst others. The organization supports children in their studies, helps parents psychologically, organizes healthy leisure activities such as sports and music. The bank has supported it with:

1. Groceries for one-year so that the NGO may provide a nutritious meal to the beneficiaries every Saturday.
2. Basic school materials to ensure that the children do not lack any school items thus encouraging them to study hard and prevent drop-out.
3. The salary of a field worker on a full-time basis for outreach support and ongoing follow up of beneficiaries and their parents for hand-holding and community support.

#### Chrysalide

Chrysalide is a residential treatment and rehabilitation center for women who are dependent on substances like drugs and alcohol, and who may also be ex detainees, sex workers and/or HIV+. It is an NGO that operates within a residential therapy model, with treatment normally lasting for one and two years. The association has a comprehensive approach in addressing issues related to drug dependencies, reintegration of women addicted to drugs and alcohol, as well as supporting women living with HIV/AIDS.

MauBank has supported the NGO in setting up computer facilities so that the women may receive basic computer training. The purchase of eight computers and one printer is meant to give the opportunity to vulnerable women in expanding their skills in doing research, sending emails, writing curriculum vitae and application letters so that they may join the workforce and reach financial autonomy.

The programme aims at having the beneficiaries regain self-esteem, self-confidence, and become adherent to their rehabilitation programme, so that they may become more resilient and have better chances of social re-insertion with a stable lifestyle.

In a second phase, the bank has financed the refurbishment of Chrysalide’s training room to offer a more conducive learning environment. The room underwent a full renovation and was uplifted with a new set of appropriate furniture.





## Supporting Communities

Year on year, the bank pursues its Corporate Social Responsibility programme with the partnership of Non-Government Organisations (NGOs) for the advancement of social projects. The Bank's CSR objectives have remained focused on the reduction of social vulnerabilities and inequalities, particularly among children, youth and women, and on access to education for a more sustainable and inclusive development.

## Chrysalide



## Elles C Nous Association



## Cleft Care Mauritius



## Trevor Huddlestone Association



## Association of Disability Service Providers



## Well-Being of Strays



# Corporate Governance Report

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## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.6.2 Corporate Social Responsibility (“CSR”) (Cont'd)

#### Well-Being of Strays

Founded in 2017, Well-Being of Strays is an NGO which takes care of stray dogs/cats and is committed to feeding them daily. They organize mass sterilization campaigns in different parts of the island each year to control the cat and dog population.

Its aim remains to educate the population about welfare of animals and decrease ill-treatment towards them, reduce the number of stray dogs and cats, and provide shelters to stray or abandoned animals until adoption.

To help Well-Being of Strays in its endeavor, the bank has partnered with it on its sterilization campaign to neuter 25 animals per month and 300 per year to cover the whole island.

### 2.7 Principle 7: Audit

*“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation’s internal and external auditors.”* (The National Code of Corporate Governance For Mauritius).

#### 2.7.1 Internal audit

The established Internal Audit function provides the Board of Directors (Governing Body) and senior management with the required level of assurance based on the highest level of independence and objectivity by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes which are designed to add value and improve the bank’s operations.

This high level of independence and objectivity is achieved by the Head of Internal Audit reporting functionally to the Audit Committee and administratively to the Chief Executive in line with the Banking Act requirements and good governance practices. The internal audit function remains independent of the activities audited and objective in its work. Internal Audit has unrestricted access to the Bank’s activities, properties, records, information and personnel.

An internal audit helps the Board and management maintain and improve the process by which risks are identified and managed and helps the Board discharge its responsibilities for maintaining and strengthening the internal control framework. The internal audit function is not responsible for the implementation of controls or for the management and mitigation of risk, the responsibility for which remains with the Board and management. In addition to the objectives of providing assurance, the function also delivers consulting activities in a risk-based approach, aligned to laws, regulations, and the bank’s strategic objectives.

The audit universe includes all business units and operations. Based on risk assessment carried out, resources are allocated and an annual risk-based audit plan, with a schedule of execution, is drawn up and approved by the Audit Committee. The Internal Audit Methodology adopted are in line with the Standards for the Professional Practice of Internal Auditing, as prescribed by the Institute of Internal Auditors (IIA).

The audit plan is executed by the Head of Internal Audit, who is adequately supported by a group of staff members, who have the requisite experience in banking, audit, finance and information technology. Progress reports on the execution of the plan are tabled at each Audit Committee meetings which are held at least on a quarterly basis.

After each assignment, an audit report is prepared and tabled in the Audit Committee. The report contains findings with their associated risks, recommendations to address control deficiencies and insights that will add value to the Bank. The recommendations are agreed with business owners and action plans with a time frame for execution are drawn in consultation with the Head of Business Units before audit reports are issued. Follow up is carried on a regular basis to obtain status on implementation of recommendations made and reported to the Audit Committee.

Each finding is rated according to the level of risk. Each unit is graded based on the model for evaluating internal controls developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), used internationally.

All high-risk units and the medium risk units were covered satisfactorily as part of the approved audit plan for the financial year 2022/2023.

The details on the Head of Internal Audit can be found in the Administration section on page 239.

## CORPORATE GOVERNANCE APPLIED (Cont'd)

### 2.7.2 External auditors

Ernst & Young is in its first year as external auditor of the Group and the Bank for the year ended 30 June 2023.

Deloitte was in its seventh and last year as external auditor of the Group and the Bank for the year ended 30 June 2022.

The remuneration, inclusive of Value added Tax, for audit and other services payable, is as follows:

	The Group			The Bank		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
	Rs	Rs	Rs	Rs	Rs	Rs
Audit fees	8,399,600	5,488,375	5,229,625	8,199,500	5,341,750	5,088,750
Other service	2,530,000	231,150	-	2,530,000	231,150	-
<b>Total</b>	<b>10,929,600</b>	<b>5,719,525</b>	<b>5,229,625</b>	<b>10,729,500</b>	<b>5,572,900</b>	<b>5,088,750</b>

The non-audit related fees paid for the year ended 30 June 2023 to Ernst & Young relates to a special examination carried out as requested by the Bank of Mauritius.

As part of the additional services provided, the teams involved are not part of any decision-making process in the audit team of Ernst & Young. Moreover, with different teams involved, Ernst & Young retains its independence with regards to their statutory obligations.

The Audit Committee meets regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage), to discuss the external auditor's remit and any issues arising from the external audit. Meetings are also held with the external auditor by the Board / Board members, without the presence of Management, at least once a year, if required.

The members of Audit Committee have met with the external auditor without the presence of management in June 2023.

## 2.8 Principle 8: Relations with Shareholders and other Key Stakeholders

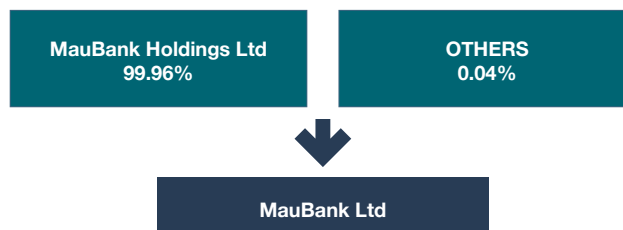
*"The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose."* (The National Code of Corporate Governance For Mauritius).

### 2.8.1 Shareholding

As at 30 June 2023, the stated capital of the Bank stood at Rs 2,716,420,490 represented by 7,346,728,224 shares. The Bank has twelve (12) shareholders on its share register with MauBank Holdings Ltd ("Holdings") holding 99.96% interest in the Bank and the remaining shares are held by eleven (11) shareholders inclusive of public sector bodies and cooperative societies. The holding company is owned at 100% by the Government of Mauritius.

### 2.8.2 Group Structure

The Group Structure of the Bank as at 30 June 2023 is shown below:



The List of Directors of MauBank Holdings Ltd is as follows:

- Mr. Beejan Manickchand
- Mrs. Khuroona Ramondhur-Ruggoo
- Mrs. Aubdoollah-Suhootoorah Bibi Naimadee
- Mr. Selloyee Ponoo Swami Moorthee Pillay

# Corporate Governance Report

## **CORPORATE GOVERNANCE APPLIED** (Cont'd)

### **2.8.3 SHAREHOLDERS DIARY**

The last annual meeting of shareholders was held on 22 December 2022.

### **2.8.4 Engaging With Key Stakeholders**

The Bank endeavours to build trusted and sustainable relationships with key stakeholders through regular communication and engagement. The Bank communicates to its stakeholders in a transparent manner through various communication channels, including press announcements, events and the Bank's website and social media pages.

#### **The Bank of Mauritius**

The Bank is a highly regulated entity, under the supervision of the Bank of Mauritius. The Bank strives to comply with all regulatory provisions and guidelines in the conduct of its activities.

#### **Employees**

The Bank's ultimate aim is to provide its employees with a safe and conducive working environment, where they feel valued, empowered, and respected. The Bank has implemented numerous initiatives during the year to enhance its working environment.

#### **Financial Partners**

The Bank plays an important role within the wider banking community with active participation within the Mauritius Bankers Association, for which the CE, Mr. Mungar currently serves as the Deputy Chairperson.