

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board of Directors is responsible for the overall stewardship of the Bank and thus plays a key role in ensuring that the appropriate level of corporate governance is maintained.

The powers of Directors are set out in the Bank's Constitution and in the Terms of Reference for the Board first adopted in August 2007 and revised in June 2013. The Board is aware of its responsibilities to ensure that the Bank adheres to all relevant legislations such as the Banking Act 2004, the Financial Services Act 2007, the Financial Reporting Act 2004 and the Mauritius Companies Act 2001. The Board reassesses its Terms of Reference as and when required.

The Board also follows the principle of good corporate governance as recommended in the National Code of Corporate Governance 2016 and the BOM Guidelines on Corporate Governance 2001 (revised October 2017). The Board reviews and approves on a regular basis the Bank's Code of Ethics to ensure that they are in line with the Bank's objectives. It also regularly monitors and evaluates the Bank's compliance with its Code of Ethics.

Some of the key functions of the Board of Directors include:

- Determining the Bank's purpose, strategy and values;
- Providing guidance, maintaining effective controls over the Bank and monitoring management in carrying out Board's plans and strategies;
- Monitoring and evaluating the implementation of the Bank's strategies, policies and management of its performance criteria and business plans;
- Exercising leadership, enterprise, intellectual honesty, integrity, objectivity and judgement in directing the Bank so as to achieve sustainable prosperity;

- Ensuring that procedures and practices are in place to safeguard the Bank's assets and reputation and providing guarantee on the effectiveness of the Bank's internal control system;
- Monitoring and evaluating regularly compliance with the Code of Ethics;
- Approving and monitoring the Bank's risk management policies including the setting of limits by assessing its risk appetite, skills available for managing risk and its risk bearing capacity;
- Ensuring that succession is professionally planned in a timely manner;
- Monitoring the Bank's financial health and performance against budgets, including ensuring that the balance between "conformance" and "performance" is healthy. Conformance is linked to the Bank's compliance with various laws, regulations and codes governing it while performance relates to the development of a commensurate enterprise culture that will ensure maximisation of shareholders' returns are not detrimental to other stakeholders' interests; and
- Reviewing and approving senior management's compensation package.

The Terms of Reference is available for consultation on the Bank's website: www.afasiabank.com

PRIOR APPROVAL OF THE BOARD

As per the Mauritius Companies Act 2001, the Terms of Reference and the Bank's Constitution, decisions requiring prior approval of the Board are set out below:

- Issue of other shares;
- Consideration for issue of shares;
- Shares not paid for in cash;
- Authorisation of distribution;
- Shares issued in lieu of dividend;
- Shareholder discount;
- Purchase of own shares;
- Redemption at option of Bank;
- Restrictions on giving financial assistance;
- Change of Registered Office;
- Approval of amalgamation proposal;
- Short form amalgamation; and
- Transfer of shares.

COMPOSITION OF THE BOARD

The Constitution of AfrAsia Bank Limited provides for a Board comprising a minimum of five Directors and a maximum of fourteen Directors. As at 30 June 2018, the Bank had a unitary Board of eleven experienced, well-known and high calibre members from both local and international financiers. Of the eleven Directors, there is one Executive Director and ten Non-Executive Directors. In line with the "BOM Guidelines on Corporate Governance 2001" issued by the Bank of Mauritius, AfrAsia Bank Limited satisfies the minimum percentage of non-independent Directors as depicted on [page 53](#). The Board of Directors comprises of 45% non-independent shareholder related Directors.

As per the Code of Corporate Governance, all boards should have a strong executive management presence with at least two Executives as members. The Board is of the view that the spirit of the Code is met through the attendance and participation of the CEO as Executive Director and the Senior Executives in relevant Committees and Board deliberations.

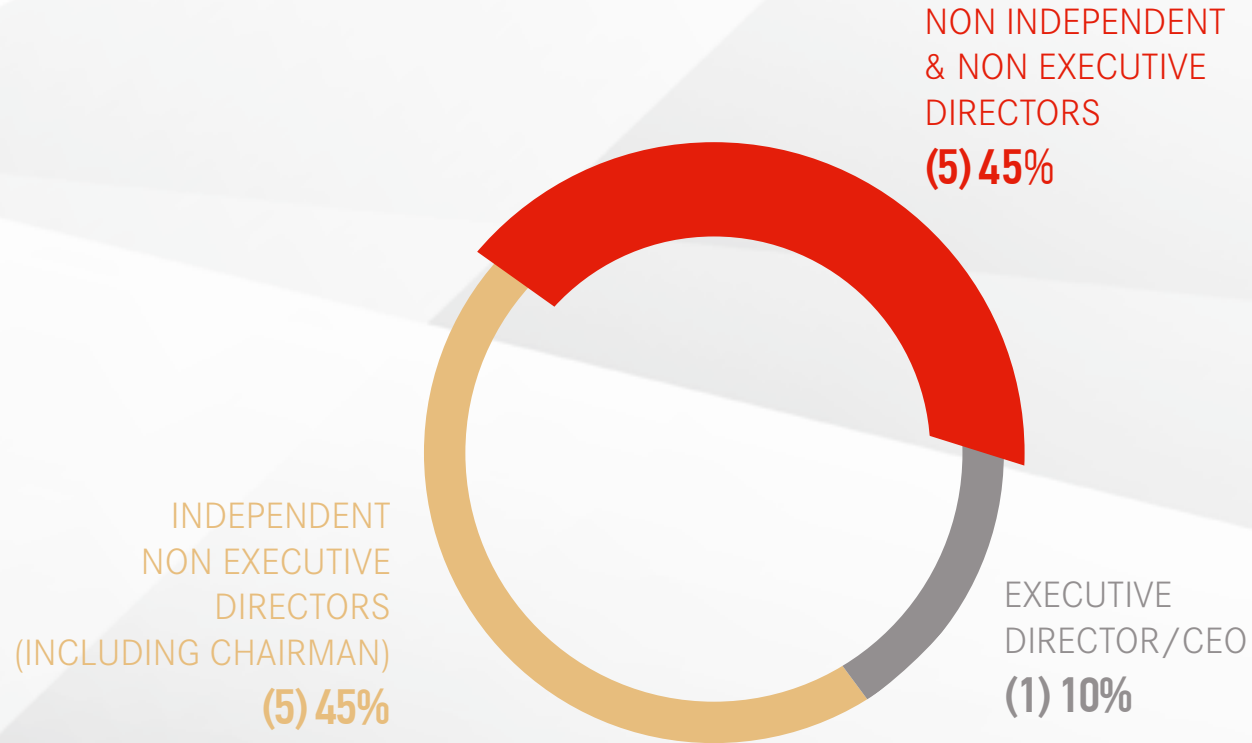
In February 2017, Catherine McIlraith resigned as Director of AfrAsia Bank Limited. The Board has not yet found a suitable candidate to replace Mrs McIlraith and remains committed to maintain a suitably required diversity of its Board members.

During the financial year, the Board welcomed two new members, Mr Boon Huat Lee as Independent Non-Executive Director on 30 January 2018 and Mr Dipak Chummun as Non-Executive Director on 30 April 2018. A complete induction pack was submitted to all newly appointed Directors and they were given various opportunities to discuss with the CEO and corporate officers to better understand the business.

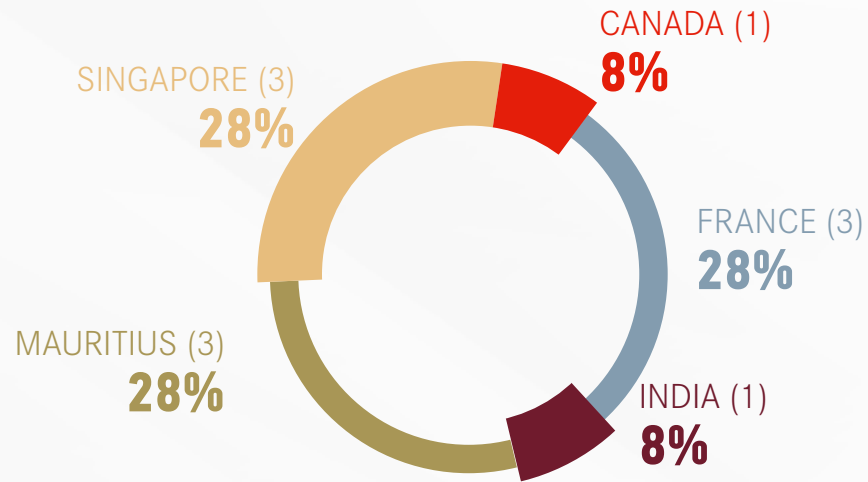
During the year under review, the Board met on four occasions. Decisions were also taken by way of resolutions in writing, assented and signed by all the Directors.

COMPOSITION OF THE BOARD (CONTINUED)

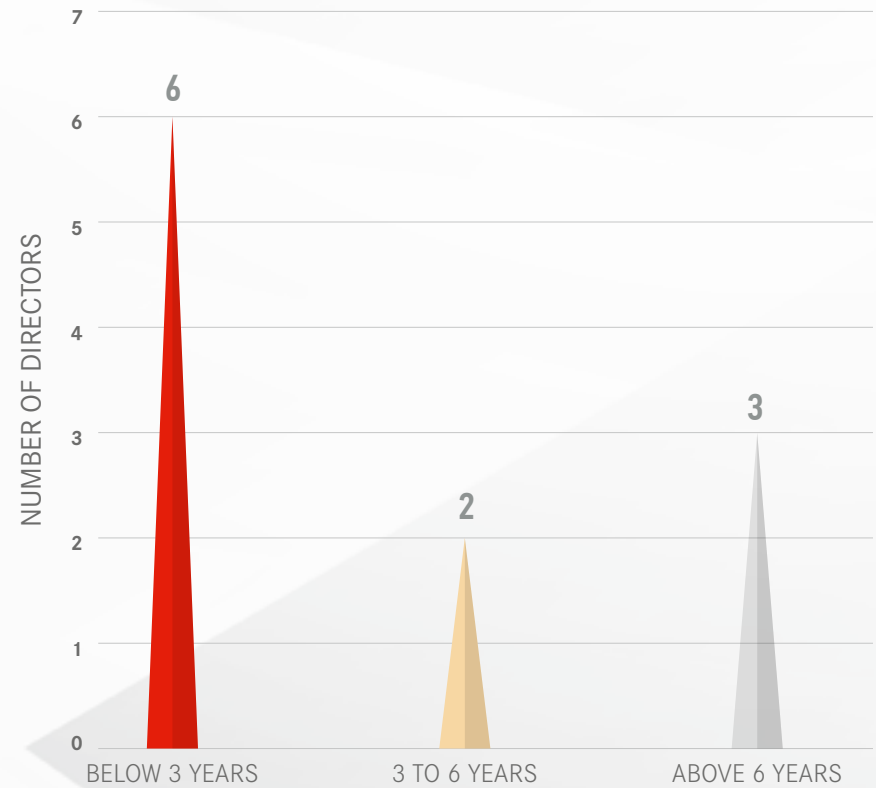
Board Representation as at 30 June 2018 was as follows:



Directors' country of residence as at 30 June 2018 was as follows:



Directors' length of service as at 30 June 2018 was as follows:



DIRECTORS

The Directors/Alternate Director of the Bank as at 30 June 2018 were as follows:

Lim Sit Chen (Maurice)
Lam Pak Ng
(Chairman)

Sanjiv Bhasin
(Chief Executive Officer)

Arvind Sethi

Boon Huat Lee
(Appointed on 30 January 2018)

Dipak Chummun
(Appointed on 30 April 2018)

Graeme Robertson
(Resigned on 16 August 2018)

Henri Calvet

Jean-Claude Béga

Luc Paiement

Philippe Jewtoukoff

Yves Jacquot

Dominic Joseph Pierre Jacques
(Alternate Director to Yves Jacquot and
Luc Paiement)

Nicolas Weiss
(Resigned on 30 April 2018)

DIRECTORS' PROFILE

LIM SIT CHEN (MAURICE) LAM PAK NG

**Independent Non-Executive
Chairman**

Master of Business Administration
Graduate School of Business of Columbia
University, USA

Date first appointment as Director: 12-Feb-07

Date of last re-appointment: 22-Nov-17

**Length of service as Director: 11 years 4
months**



Present directorship

Listed entity:

Gamma Civic Ltd

Other non-listed entities:

Gamma Treasury Management Co. Ltd

Stewardship Consulting Pte Ltd

MIPSIT Co. Ltd

Maurice is the founding partner of Stewardship Consulting, a company based in Singapore, providing strategy consulting services to family owned companies and government organisations. Prior to Stewardship Consulting, Maurice was in banking, advising public and private sector clients in treasury and risk management, financial strategy and investment management. He has worked in London, Montreal, New York, Singapore and Tokyo.

Country of residence: Singapore

SANJIV BHASIN

Chief Executive Officer

Master of Business Administration in Finance
XLRI Jamshedpur

B.Com (Hons) degree in Accounting and Finance
Delhi University, India

Date first appointment as Director: 19-Nov-15

Date of last re-appointment: 22-Nov-17

Length of service as Director: 2 years 7 months



Present directorship

Other non-listed entities:

AfrAsia Capital Management Limited

Mauritius Institute of Directors

Sanjiv has over 38 years of banking experience having held senior positions in Asia, Africa and UK markets, and has headed international banks over the past 18 years as the CEO. He started his career with HSBC in 1979 and, over the years, worked in various capacities mainly in the Corporate Banking, Investment Banking and Credit & Risk Management divisions in India, UK & Mauritius until 2004. His last role at HSBC was Chief Operating Officer HSBC India. From 2004 to 2008 he was the Managing Director & CEO of RaboBank in India growing the franchise to become the largest one in all Asia. He thereafter joined as CEO DBS India, leading them to be the fourth largest foreign bank in India during his tenure, launched DBS India's Digital Banking Foreign locally.

He is a successful leader of change and a major driver of growth at both corporate and operational levels, with a track record of delivering results in competitive markets. Sanjiv continues to build beneficial customer and staff relationships while driving the Bank to embrace the digital change.

Country of residence: Mauritius

DIRECTORS' PROFILE (CONTINUED)

ARVIND MADAN SETHI

Independent Non-Executive Director

MA Hons in Philosophy, Politics & Economics
Keble, Oxford University, UK

Date first appointment as Director: 20-Apr-16

Date of last re-appointment: 22-Nov-17

Length of service as Director: 2 years 2 months



Present directorship

Other non-listed entities:

Bear Falls Plantation Resort Pvt. Ltd
Bloom Plantation & Resort Pvt. Ltd
CAP-M Consulting India Private Limited
Eden Plantation Resort Pvt. Ltd
Flourish Plantation Resort Pvt. Ltd
HSBC InvestDirect (India) Limited
HSBC InvestDirect Financial Services (India) Limited
Old World Hospitality Private Limited
Sundaram Alternate Assets Limited
Sundaram Asset Management Company Limited
Sundaram Tyres Lanka Limited
Tikka Town Pvt Ltd

After a brief career in financial journalism, as Assistant Editor for the Economic Times from 1979 to 1980, Arvind joined Grindlays Bank in 1981. He spent virtually all his career in foreign exchange, fixed income and derivatives, occupying senior roles in India such as Manager Treasury HSBC, General Manager Global Markets ANZ Grindlays and Managing Director Global Markets at Bank of America. Arvind was also the Head of Retail Banking at HSBC India in 1995-96 and during his career he had assignments with the ANZ treasury in Melbourne and HSBC's Debt Capital Markets in London. From 2001 to 2012, he was a financial advisor and trainer in financial instruments and derivatives. He started the Fixed Income & Money Market Association of India (FIMMDA) and was its Chairman in 1999 & 2000, and was also part of the RBI's Committees on Foreign Exchange and Bond Market. He led a turnaround of Tata Asset Management as its MD & CEO from 2012 to 2015 and has also served as Independent Director on the Board of Rabo India Finance Limited and Canara Robeco Asset Management.

Country of residence: India

BOON HUAT LEE

Independent Non-Executive Director

Bachelor of Business (Accounting) degree
Western Australian Institute of Technology
(now known as Curtin University)

Member of Singapore Institute of Directors
Date first appointment as Director: 30-Jan-18
Length of service as Director: 5 months



Boon is a financial services veteran with a proven record in the emerging markets financial sector. He has extensive experience in the building and up-scaling of businesses in Asian financial services. His broad and deep expertise enabled business to connect with emerging industry trends and establish best practices ahead of the game to build a successful and sustainable operating model.

With experience in financial markets, business management and governance across both the public and private sectors, Boon Huat is a keen and sturdy helmsman with astute judgment for navigating the sensitive terrain of financial services and operations.

Country of residence: Singapore

Present directorship

Listed entities:

Alliance Bank Malaysia Berhad
British Malayan Holdings

Other non-listed entities:

Chairman Taman Jurong Active Aging Committee
Council Member for People Association
Active Aging Council
Credit Counsounseling Limited
Grass Root Leader, People Association and
Taman Jurong
Novena 756 Pte Ltd
Novena 757 Pte Ltd
Technology Commercial JSB

DIRECTORS' PROFILE (CONTINUED)

DIPAK CHUMMUN

Non-Executive Director

Bachelor in Computer Science (BSc)
University of Manchester

Fellow Chartered Accountant (FCA)
Institute of Chartered Accountants
in England & Wales

Date first appointment as Director: 30-Apr-18

Length of service as Director: 2 months

Present directorship

Listed entity:

Mauritian Eagle Insurance Company
Limited

Other non-listed entities:

Adam and Company Limited
Air Mascareignes Limitee
Arcadia Travel Ltd
Australair General Sales Agency Ltd
Bloomage Ltd
Blychem Ltd
Blyth Brothers & Company Limited
Cassis Limited
Cervonic Ltd
Compagnie Thonière De L'océan Indien
Ltée
Construction & Material Handling
Company Ltd
DieselActiv Co Ltd
DTOS International Ltd
DTOS Ltd



Economic Development Board
Engineering Service Support Ltd
Engitech Ltd
Equip And Rent Company Ltd
Escape Outdoor & Leisure Ltd
G2a Camas Ltd
Ground 2 Air Ltd
I World Ltd
IBL Cargo Village Ltd
IBL Corporate Services Ltd
IBL Entertainment Holding Limited
IBL Entertainment Limited
IBL Financial Services Holding
Limited
IBL Fishing Company Ltd
IBL Shipping Company Ltd
IBL Training Services Limited

IBL Treasury Ltd
IBL Treasury Management Ltd
I-Consult Limited
IMV Services Ltd
Interface International Ltd
Ireland Fraser & Company Limited
I-Telecom Ltd
Knights & Johns Management Ltd
Kuros Company Ltd
La Tropicale Mauricienne Ltée
Logidis Limited
Manser Saxon Contracting Limited
Manser Saxon Elevators Ltd
Manser Saxon Openings Limited
Manser Saxon Plumbing Ltd
Manser Saxon Training Services Ltd
Marine Biotechnology Products Ltd

Mauritian Eagle Leasing Company
Limited
Medical Trading Company Limited
Medical Trading International
Limited
Mer Des Mascareignes Limitée
National Committee For Corporate
Governance
New Cold Storage Company
Limited
Scomat Limitée
Seafood Hub Limited
Seaways Marine Supplies Limited
Servequip Ltd

Societe De Traitement
Et D'assainissement Des
Mascareignes Limitee
Societe Mauricienne De
Navigation Limitee
Somatrans Sdv Limited
Somatrans Sdv Logistics Limited
Stock Exchange Of Mauritius
Systems Building Contracting
Ltd
The Ground Collaborative Space
Ltd
Tornado Limited
Winhold Limited

Dipak is a seasoned finance and financial services professional with over 25 years of international experience in management consulting, corporate and investment banking, finance and strategy. He has held regional and group head roles with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Hong Kong, Dubai, Singapore, and most recently Frankfurt, where he was finance Director for strategic financial planning at Deutsche Bank global head-quarters. He came back to Mauritius and joined IBL Ltd as Group Chief Finance Officer from January 2015. He currently holds directorships with several public interest entities, listed and regulated companies, and is a Director of the Stock Exchange and the Economic Development Board of Mauritius and a former International Advisory Board Member of the ICAEW, based in the UK.

Country of residence: Mauritius

GRAEME ROBERTSON

Non-Executive Director

Fellow of the Australian Institute of Company Directors

BA Sociology

University of New South Wales

Date first appointment as Director: 16-Aug-11

Date of last re-appointment : 22-Nov-17

Length of service as Director : 6 years 10 months

Date of resignation : 16-Aug-18



Educated in Sydney, Australia, Graeme has spent most of his life in Southeast Asia and Africa. He has been responsible for pioneering the development and management of world class mining, energy and infrastructure operations. He is the recipient of the ASEAN Development, Millennium 500 and Coaltrans Life Achievement Awards for his business achievements in emerging nations. Graeme is a humanitarian with strong interests in poverty alleviation, education and health improvement. In Mauritius he advises on energy, grows diabetic friendly Mighty Rice, and provides corporate and financial services with Intrasia Investments Limited and actively supports AfrAsia Group.

Country of residence: Singapore

Present directorship

Listed entities:

Intra Energy Corporation - Chairperson

Other non-listed entities:

AfrAsia Capital Management Limited

AfrAsia Investments Limited

AfrAsia Foundation – Chairperson

Australian Chamber of Commerce, Mauritius, President

Intrasia Capital Pte Ltd - Chairperson and owner of the group and its subsidiaries

Intrasia Investments Limited

LJ Management (Mauritius) Limited

Madagascar Estates Development Partners – Chairperson

Mining & Energy Club of Mauritius – Chairman

Nu Africa Gas Ltd – Chairperson

Vita Rice Limited – Chairperson

DIRECTORS' PROFILE (CONTINUED)

HENRI CALVET

Independent Non-Executive Director

Graduate of Ecole Normale Supérieure de
Cachan

University degree in Economics
Paris-I Panthéon-Sorbonne

Date first appointment as Director: 23-Mar-15

Date of last re-appointment: 22-Nov-17

Length of service as Director: 3 years 3 months

Present directorship

Other non-listed entities:

Advanced Bank of Asia (ABA)
H2C Conseil



Henri is the founder of H2C Conseil, a company offering advisory and training services to credit institutions and securities firms in the main following fields: banking accounting, prudential rules and internal control (including risk management and compliance control). Prior to setting up his own business, Henri had worked for numerous banks, namely, Bred Banque Populaire, Compagnie Financière Edmond de Rothschild Banque and Compagnie Parisienne de Reescompte, inter-alia.

Country of residence: France

JEAN-CLAUDE BÉGA

Non-Executive Director

Fellow of the Association of Chartered Certified Accountants

Date first appointment as Director: 28-Oct-11

Date of last re-appointment: 22-Nov-17

Length of service as Director: 6 years and 8 months



Present directorship

Listed entities:

Alteo Limited
IBL Ltd
Lux Island Resorts Ltd
Mauritian Eagle Insurance Company Limited
(Non-Executive Chairman)
Phoenix Investment Company Limited
Phoenix Beverages Limited
The Bee Equity Partners Ltd (Non-Executive Chairman)

Other non-listed entities:

AfrAsia Capital Management Limited
AfrAsia Corporate Finance Limited
Anahita Estates Limited (Non-Executive Chairman)
Alteo Properties Limited
Anahita Residences and Villas Limited
Anglo African Investments Ltd
(Non-Executive Chairman)
Camp Investment Company Limited
DTOS Ltd (Non-Executive Chairman)
Edena S.A
GML Finance Holding Ltd
IBL International Ltd

Interface International Ltd
International Sugar Expertise & Management Limited
Knights and Johns Management Ltd (Non-Executive Chairman)
LCF Holdings Ltd
LCF Securities Ltd
Mauritius Stationery Manufacturers Limited
Phoenix Management Company Ltd
Printvest Holding Ltd
SPCB Ltée
The (Mauritius) Glass Gallery Ltd

Jean-Claude joined GML in 1997 and has been nominated as Group Head of Financial Services and Business Development in July 2016 and as Executive Director of IBL Ltd in August 2018 and currently heads IBL Group's financial services and business development activities including M&A, strategic initiatives and integration.

Country of residence: Mauritius

DIRECTORS' PROFILE (CONTINUED)

LUC PAIEMENT

Non-Executive Director

Bachelor of Commerce

Concordia University Montréal

Date first appointment as Director: 19-Dec-16

Date of last re-appointment: 22-Nov-17

Length of service as Director: 1 year 6 months

Present directorship

Other non-listed entities:

AfrAsia Capital Management Limited

AfrAsia Investments Limited

Investment Industry Regulatory Organization
of Canada (IIROC)



With 35 years' experience in the banking industry, Luc is recognized for his strong interpersonal skills and his ability to foster a culture of customer service excellence within his team. He has held a variety of strategic positions in the wealth management, investment banking and institutional equity sectors. During his time at National Bank of Canada, he has been a key contributor to a series of transactions that have profoundly changed the organization and positioned it as a leader in Canada in a range of disciplines and in 1999 was named one of Canada's Top 40 under 40. Luc has been ranked among the Top 25 of Quebec's financial industry five times.

Country of residence: Canada

PHILIPPE JEWTOUKOFF

Independent Non-Executive Director

ENSAE Paris

Université Paris-Saclay

DEA - Mathematics

Université Paris VI

Masters in Economic Sciences

Université Panthéon Sorbonne

Date first appointment as Director: 16-May-17

Date of last re-appointment: 22-Nov-17

Length of service as Director: 1 year 1 month



Present directorship

Other non-listed entities:

Newparf

PERMCO

Parfum Direct

During his 33 years long career in the banking sector, Philippe has got wide experience in the finance, asset -management and audit fields. He retired as CEO of the "Credit Cooperatif", a nationwide retail bank in France. Since 2011, he became an independent consultant specialized in restructuring. Philippe has also created a micro-finance network in West-Africa (Mali) in the nineties and has a strong knowledge of Madagascar where he had lived after his student life.

Country of residence: France

YVES JACQUOT

Non-Executive Director

Master of Business Administration

ESSEC Business School

Date first appointment as Director: 16-Jan-15

Date of last re-appointment: 22-Nov-17

Length of service as Director: 3 years 5 months



Present directorship

Other non-listed entities:

AfrAsia Capital Management Limited

AfrAsia Investments Limited

ABA Bank (Cambodia) - Chairman

ATA (Thailand) Company Limited - Chairman

TenGer Financial Group LLC

XacBank LLC

Yves has wide experience in the banking sector. He is presently the First Vice-President of International Development for the National Bank of Canada Group and the Deputy Chief Executive of Natcan Investissements Internationaux SAS which is a subsidiary of National Bank of Canada. Previously, he was the Deputy Chief Executive of Bred Banque Populaire and Managing Director of COFIBRED.

Country of residence: France

DOMINIC JACQUES

Alternate Director to Yves Jacquot and Luc Paiement

Certified Professional Accountant (CPA)

Chartered Financial Analyst (CFA)

HEC Montreal

BAA in Business

DESSCP in Accounting

Date first appointment as Director: 01-Sep-16

Length of service as Director: 1 year 9 months



Present directorship

Listed entities:

NSIA Banque Côte D'Ivoire

Other non-listed entities:

ABA Bank (Cambodia)

ATA IT Ltd. (Thailand)

NSIA Participations (Côte D'Ivoire)

Dominic Jacques holds the position of Deputy Vice-President, International Development at National Bank of Canada. As such, he manages the Bank's portfolio of international investments. He started his career at PricewaterhouseCoopers and joined National Bank of Canada in 2010 as Senior Manager, Strategy and Corporate Development. Dominic has a sound knowledge of the banking industry, having spent 15 years advising financial institutions on transactions and partnerships. Over the years, he has been based in Montreal, London, Paris and San Jose, California.

Country of residence: Canada

BOARD COMMITTEES

AfrAsia's Board Committees are set up to enable the Board to discharge its powers and duties necessary for managing, directing and supervising the management of the business and affairs of the Bank.

The Bank has in place four Board Committees for more in-depth analysis and review of various issues as may be appropriate. A report is prepared by each Board Committee and presented to the Board after each meeting.

The Bank's Board Committees are: Corporate Governance Committee, Credit Committee, Risk Management / Conduct Review Committee and Audit Committee with their respective members as per below as at 30 June 2018:

Directors	Corporate Governance Committee	Credit Committee	Risk Management / Conduct Review Committee	Audit Committee
Lim Sit Chen (Maurice) Lam Pak Ng (Independent Non-Executive Chairman)	Chairman Date of appointment: 19 June 2013	Chairman Date of appointment: 07 June 2017	✓	
Sanjiv Bhasin (Chief Executive Officer)	✓		✓	
Arvind Sethi (Independent Non-Executive Director)			✓	Chairman Date of appointment: 27 July 2016
Henri Calvet (Independent Non-Executive Director)		✓	Chairman Date of appointment: 23 March 2015	✓
Jean-Claude Béga (Non-Executive Director)	✓			
Philippe Jewtoukoff (Independent Non-Executive Director)				✓

Directors	Corporate Governance Committee	Credit Committee	Risk Management / Conduct Review Committee	Audit Committee
Yves Jacquot (Non-Executive Director)	✓	✓	✓	
Nicolas Weiss (Resigned on 30 April 2018)	✓			

Each Committee has its own Terms of Reference which can be consulted on the Bank's website: www.afasiabank.com

The Board reassesses the Terms of Reference of each Committee as and when required.

Audit Committee

The Committee consists of three independent Directors. During the year under review, the Committee met at least once every quarter in line with its approved Terms of Reference and consistent with good governance practices.

The duties of the Committee comprise:

General

- Ensure that there is an open avenue of communication between the Head of Internal Audit, the Head of Compliance, the External Auditors and the Board of Directors;
- Review annually and, if necessary, propose for formal Board adoption, amendments to the Committee's Terms of Reference;
- Consider, in consultation with the External Auditors and the Head of Internal Audit, the audit plans and scope, ensuring the co-ordination of audit effort is maximized;
- Perform such additional duties as may be assigned to it by the Board of Directors;
- Report to the Directors on the conduct of its responsibilities, with particular reference to the appointment, powers and duties of auditors, as per section 39 of the Banking Act 2004;

BOARD COMMITTEES (CONTINUED)

Audit Committee (continued)

General (continued)

- Review the unaudited and/or audited financial statements of the Bank before they are approved by the Board of Directors;
- Review the unaudited and/or audited financial statements of AfrAsia Investments Limited (AIL) before they are approved by the Board of Directors;
- Review all transactions which could adversely affect the sound financial condition of the Bank as the auditors or any officers of the Bank may bring to the attention of the Committee or as may otherwise come to its attention; and
- Ensure that the Bank complies with regulatory requirements.

Financial Statements

- Examine, review and challenge the quality and integrity of the financial statements of the Bank, including External Auditor's report, annual and half-yearly reports, interim reports and any other formal announcement relating to the organisation's financial performance;
- Review and report to the Board on significant financial reporting issues and judgements which these financial statements contain, having regards to matters communicated to the Committee by the Auditors;
- Review with management any significant difficulties or disputes encountered during the audit;
- Review other matters related to the conduct of the audit which are to be communicated to the Committee under the Banking Act 2004, the Mauritius Companies Act 2001 and International Financial Reporting Standards;
- Oversee appropriateness of the process, models and the assumptions made for IFRS 9, their impact on financial statements and to satisfy themselves that the dynamic nature of calculating and reporting the Probability of Default and the Expected Credit Loss is maintained, as per the requirements of the Bank of Mauritius; and
- The Audit Committee should try and meet or convene by phone at least one week before the review of the formal review of audited annual financial accounts which are recommended to the Board for approval, so that any important issues which need to be discussed with management and the external auditors are given sufficient time for resolution.

Audit Committee (continued)

Internal Control

- Enquire from management, the Head of Internal Audit and the external auditors about significant risks or exposures and evaluate the steps taken to minimise such risk to the Bank;
- Consider and review with management and the Head of Internal Audit significant findings during the year and management's responses thereto;
- Require management to implement and maintain appropriate accounting, internal control and financial disclosure procedures and review, evaluate and approve such procedures; and
- Ensure that management is taking appropriate corrective action in response to deficiencies identified by the auditors, including internal control weaknesses and instances of non-compliance with laws and examine and review the contents of the external auditors' management letter, together with management's responses thereto.

External Audit

- Recommend to the Board of Directors, the external auditors to be appointed and their remuneration, review and approve the scope and quality of their work, independence and their discharge or resignation and examine and review any significant changes which have been required in the external auditors' audit plan;
- Consider with management and external auditors the rationale for employing external audit firms for the audit of any subsidiary company other than the principal external auditors;
- Ensure that at least once every five years the external audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent external auditor with those of other external audit firms;
- Oversee the selection process of tenders and ensure that all tendering firms have access to information and individuals during the duration of the tendering process. Several firms should be screened and the Committee should obtain written or verbal proposals to enable it to arrive at a recommendation;
- If an external auditor resigns, the Committee shall investigate the underlying issues leading to the resignation and decide whether any action is required;
- Oversee the relationship with the external auditors including (but not limited to):
 - Recommendations on their remuneration for non-audit services;
 - Approval of their terms of engagement, including any engagement letter issued at the start of each external audit and the scope of the audit;

BOARD COMMITTEES (CONTINUED)

External Audit (continued)

- Assess annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of any non-audit services;
- Satisfy themselves that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Bank (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity;
- Monitor the external auditors' compliance with relevant ethical and professional guidance on the rotation of external audit partner, the level of fees paid by the Bank compared to the overall fee income of the firm, office and partner and other related requirements;
- Assess annually the qualifications, expertise and resources of the external auditors and the effectiveness of the external audit process, which shall include a report from the external auditors on their own internal quality procedures; and
- Evaluate the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of withdrawal of the external auditors from the market in that evaluation.
- Meet regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the external auditor's remit and any issues arising from the external audit.

Internal Audit

- Review and approve, where possible in advance of the event, the appointment replacement, reassignment, or dismissal of the Head of Internal Audit;
- Consider and review with management and the Head of Internal Audit:
 - Any difficulties encountered in the course of internal audits and any restrictions placed on internal audit scope of work or access to required information or personnel;
 - The audit plan of future audits to be conducted;
 - The internal auditing department's budget and staffing; and
 - Any changes which have been required in the previously approved audit plan.
- Approve the remuneration of the Head of Internal Audit.

Compliance

- Review regular reports from the Head of Compliance and keep under review the adequacy and effectiveness of the Bank's compliance function; and
- Consider and review the control plans of the Compliance function.

Corporate Governance Committee

The core objectives of the Corporate Governance Committee include amongst others:

- To deal with all corporate governance issues and make recommendations to the Board accordingly;
- To determine, agree and develop the Bank's general policy on corporate governance in accordance with the recommendations of the Guidelines on Corporate Governance issued by the Bank of Mauritius and ensure compliance with same;
- To ensure that disclosures are made in the annual financial statements in compliance with the disclosure provisions in accordance with the best international practice;
- To ensure effective communication between stakeholders;
- To act as the Nomination and Remuneration Committees by selecting potential candidates for recommendation to the Board and approving the nomination and remuneration of the Directors and Senior Management;
- To review and advise on the general remuneration policy of the Bank;
- To oversee compensation, human resources and corporate social responsibility issues and related budgets;
- To oversee information governance and make recommendations to the Board;
- To determine any criteria necessary to measure the performance of Executive Directors in discharging their functions and responsibilities;
- To ensure a review, at least annually, of the current Directors' performance and attendance at Board and Committee meetings; and
- To request an annual headcount and budget plan and allow management to execute and report thereon at regular intervals.

Credit Committee

The Credit Committee performs several fundamental functions which include:

- Reviewing recommendations from Management Credit Committee (MCC) to grant a credit facility when exceeding delegated limits to the MCC;
- Monitoring of large credits, impaired credits and the overall level of provisioning; and
- Reviewing of restructured facilities which shall be approved by the sanctioning authority (one level higher) than the initial power.

Risk Management / Conduct Review Committee

The fundamental functions falling under the onus of the Risk Management / Conduct Review Committee include:

- Review and have an oversight on all the principal risks to which the Bank is exposed which include but are not limited to credit, market, liquidity, operational, legal, compliance and reputational risks and the actions taken to mitigate such risks;
- Ensure that the Bank maintains a satisfactory liquidity and solvency ratio at all times;
- Formulate and make recommendations to the Board in respect of risk management issues including limits setting and risk appetite;
- Receive periodic information on risk exposures and risk management activities from senior officers;
- Ensure that the CEO facilitates training programmes for Directors and senior management to enable them to have a robust understanding of the nature of the business and that of the risks, the consequences of the risks being inadequately managed and the techniques for managing the risks effectively;

Risk Management / Conduct Review Committee (continued)

- Review and approve discussions and disclosure of risks;
- Provide prior endorsement for appointment and removal of the Chief Risk Officer;
- Require management to establish policies and procedures to comply with the requirements of the Guidelines on Related Party Transactions;
- Review the policies and procedures periodically to ensure their continuing adequacy and enforcement;
- Review and approve credit exposures to related parties;
- Ensure market terms and conditions are applied to all related party transactions;
- Review the practices of the Bank to ensure that any transaction with related parties which may have a material effect on the stability and solvency of the Bank is promptly identified and dealt with in a timely manner; and
- Report periodically and in any case not less frequently than on a quarterly basis to the Board of Directors on matters reviewed by it, including exception on policies, processes and limits.

ATTENDANCE REPORT

The attendance report of the Directors at Board and Committee meetings for the year ended 30 June 2018, as well as their individual remunerations and benefits paid, are shown below:

	Board of Directors	Audit Committee	Corporate Governance Committee	Credit Committee	Risk Management/ Conduct Review Committee	Remuneration Paid		
						Fixed MUR'000	Variable MUR'000	Total MUR'000
No of meetings held	4	4	6	4	4			
Lim Sit Chen Lam Pak Ng (Chairman)	4	-	6	4	4	6,600	270	6,870
Sanjiv Bhasin (Chief Executive Officer)	4	-	4	-	4	17,546	-	17,546
Arvind Sethi	4	4	-	-	4	440	400	840
Boon Huat Lee (Appointed 30 January 2018)	2	-	-	-	-	-	-	-
Dipak Chummun (Appointed 30 April 2018)	1	-	-	-	-	-	-	-
Graeme Robertson (Resigned on 16 August 2018)	4	-	-	-	-	440	-	440
Henri Calvet	4	4	-	4	4	440	930	1,370
Jean-Claude Béga	4	-	3	-	-	440	-	440
Luc Paiement	4	-	-	-	-	440	-	440
Philippe Jewtoukoff	4	4	-	-	-	276	90	366
Yves Jacquot	4	-	6	4	4	440	835	1,275

	Board of Directors	Audit Committee	Corporate Governance Committee	Credit Committee	Risk Management/ Conduct Review Committee	Remuneration Paid		
						Fixed MUR'000	Variable MUR'000	Total MUR'000
No of meetings held	4	4	6	4	4			
Nicolas Weiss (Resigned on 30 April 2018)	3	-	3	-	-	440	225	665
Catherine McIlraith (Resigned on 23 February 2017)	-	-	-	-	-	66	215	281

COMPANY SECRETARY

The Company Secretary provides assistance and guidance to the Directors in fulfilling their duties while acting with the utmost integrity and independence in the best interest of the Bank. It has a key role to play in the application of corporate governance within the Bank.

The main duties of the Company Secretary include the following:

- Ensure that all statutory filings are done in a timely manner and that the Bank is in good standing;
- Keep the statutory registers and make sure that they are updated;
- Arrange and attend meetings of shareholders, Directors and Committees and draft the minutes accordingly;

- Organise Annual and Special meetings of shareholders and draft the minutes accordingly;
- Safekeeping of the minutes books and of the legal documents, for example, Certificate of Incorporation; and
- Ensuring that the Bank complies with its Constitution and all applicable legal and regulatory requirements, including relevant codes, guidelines and rules established by the Board.

The Bank has outsourced its secretarial functions to IBL Management Ltd.