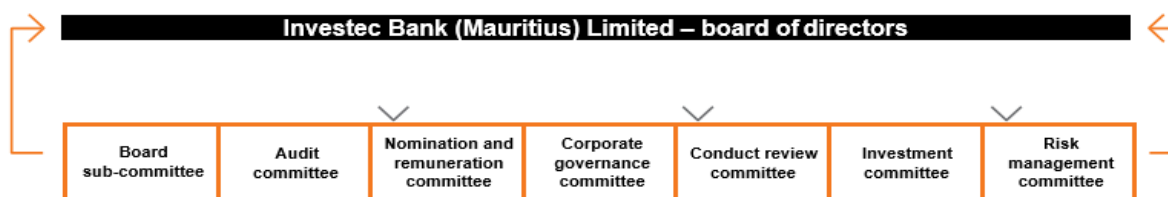


Corporate governance report (Extract from Annual Report 2018)

Governance framework



Chairman's introduction

I am pleased to present the annual corporate governance report for the year ended 31 March 2018 which describes our approach to corporate governance.

Investec plc and Investec Limited, together with their subsidiaries, are managed as a single economic enterprise as a result of the DLC structure.

Investec Bank (Mauritius) Limited is a subsidiary of Investec Bank Limited and due to the DLC operational structure, compliance with many of the specific corporate governance requirements is at the group DLC level. We encourage all stakeholders to read this corporate governance report which provides a more detailed review including the functions of the various board committees.

Regulatory context

The board, management and employees of the bank are committed and aligned to the principles of sound corporate governance, transparency, accountability and integrity which are inherent in the rules, requirements of the regulators of the bank and requirements of the Code of Corporate Governance for Mauritius (the Code). This will assure all stakeholders that the bank is managed ethically and properly in compliance with the latest legislation, regulations and best practices.

A new Code of Corporate Governance is effective in Mauritius as from 1 July 2017, and the application of this new code is as from the reporting year ending on or after 30 June 2018 and in the bank's case therefore, the year ending 31 March 2019. The main change brought about by the new Code is that it introduces a principles-based approach. The bank must explain (apply and explain) how the principles have been applied.

Our culture, values and philosophy

Sound corporate governance depends upon much more than processes and procedures, it fundamentally depends upon the people and the culture within the organisation.

At Investec, sound corporate governance is embedded in our values, culture, processes, functions and organisational structure. Our values require that directors and employees behave with integrity, displaying consistent and uncompromising moral strength in order to promote and maintain trust. The board sets the tone from the top in the manner in which it conducts itself and oversees the structures and the framework for corporate governance. Each business area and each employee of the bank is responsible for acting in accordance with our values and philosophies and we conduct our business and measure behaviour and practices against them so as to ensure that we demonstrate the characteristics of good governance.

Our culture and values have always been at the heart of how we operate, and we believe the strength with which these are embedded and live throughout the organisation distinguishes Investec from others.

Safeguarding our culture to ensure good conduct and ethical practice will promote delivery of our long-term success and will remain a key focus of the board.

Board effectiveness

We recognize that an effective and efficient governance framework provides a solid structure for transparent decision making and reflects the importance that we place on honesty, integrity, quality and trust.

The board continues to be committed to regularly evaluating its own effectiveness and that of its committees. In this light, the board undertakes an annual evaluation of its performance and every three years that of its committees and individual directors. No material issues were identified in this process.

Strategic initiatives

The board has continued to exercise leadership, integrity and judgement in pursuit of the bank's strategic goals and objectives. In terms of positioning for future opportunities a particular focus has been the continued investment in infrastructure and people necessary to deliver an out of the ordinary client experience and the incorporation of new technologies into our core strategic planning.

Conclusion

The governance framework and structures that are in place ensure that the bank is able to maintain the highest standards of corporate governance. Some key aspects of the framework are described in greater detail below.

We acknowledge that the environment in which we operate provides challenges from a governance and regulatory perspective; however, we are confident that our culture and values will continue, as ever, to provide the bank and the Investec group with a strong foundation that will enable the board and the Investec group to meet these challenges going forward. The board recognises that practices and procedures can always be improved. Accordingly, the Corporate Governance Framework is kept under regular review to take into account changing standards and regulations.



David M Lawrence

Chairman, board of directors

21 June 2018

Statement of compliance

(Section 75(3) of the Financial Reporting Act 2004)

The Code of Corporate Governance

As per the Financial Reporting Act 2004, public interest entities are required to comply with the Code of Corporate Governance for Mauritius (the Code) and provide justification for not adopting any of the provisions of the Code in their financial statements or reports.

In case of conflict between the Code and the Bank of Mauritius guideline, the Bank of Mauritius guideline takes precedence. The board reviews the implications of corporate governance best practices and accordingly it has taken all the required actions to comply with the requirements of the Guideline on Corporate Governance issued by Bank of Mauritius.

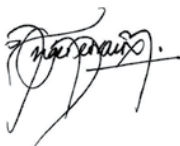
The board is of the opinion that, based on the practices disclosed throughout this report, which were in operation during the year under review, the bank has complied with all of its obligations and requirements under the Code except for the disclosures explained below.

We, the directors of Investec Bank (Mauritius) Limited, confirm that Investec Bank (Mauritius) Limited has not complied with section 2.2.3 – requirement to have at least two executives as members of the board. Through the CEO's membership on the board, management is adequately represented; and section 2.8 – Remuneration of directors – of the Code. Investec Bank (Mauritius) Limited is a wholly owned subsidiary of Investec Bank Limited. Investec Bank Limited has consented to the disclosure of the directors' emoluments on an aggregated basis in line with the resolution referred to under the section 'other statutory disclosures' of the 2018 Annual report.



David M Lawrence

Chairman, board of directors



Angelique Desvaux de Marigny

Chairperson, corporate governance committee

21 June 2018

Board committees

In accordance with the Code of Corporate Governance for Mauritius issued by the National Committee on Corporate Governance established under the Financial Reporting Act 2004 (the Code) and the Bank of Mauritius Guideline on Corporate Governance, the board of directors of the bank established seven sub-committees of the board as well as various management committees and forums to assist it in discharging its duties and responsibilities. The seven sub-committees of the board are as follows:

Board sub-committee

This committee comprises three members, including the chief executive officer.

The committee meets as and when required to take decisions as per its specific mandate conferred by the board.

The committee has all the powers other than the powers provided for under any of the following sections which are listed in the Seventh Schedule to the Companies Act 2001 and under section 23.2(a) of the Bank's constitution:

- i. Issue of other shares
- ii. Consideration for issue of shares
- iii. Shares not paid for in cash
- iv. Board may authorise distribution
- v. Shares *in lieu* of dividends
- vi. Shareholder discounts
- vii. Purchase of own shares
- viii. Redemption at option of company
- ix. Restrictions on giving financial assistance
- x. Change of registered office
- xi Approval of amalgamation proposal
- xii. Short-form amalgamation.

The committee met five times during the year under review.

Audit committee

The audit committee comprises three members; two of them are independent external directors. In addition to the chief executive officer, the global head of market risk, the chief operating officer, the head of finance, the head of treasury, the head of legal, the head of compliance, the group head of internal audit, the group compliance officer and the external auditors are invitees. Four audit committee meetings were held during the year under review.

This committee examines and reviews the findings of all internal and external audits conducted at the bank by the bank's duly appointed external auditors and the group internal auditors respectively.

The bank's internal audit function is outsourced to Investec group internal audit. The committee examines and reviews all audit findings in order to ensure that there are adequate internal controls to safeguard its assets and integrity.

The responsibilities of the audit committee includes the following:

- i. approve the audit plans (external and internal) to ensure that these are risk-based and address all activities over a measurable cycle, and that the work of external and internal auditors is coordinated;
- ii. recommend to shareholders the appointment, removal, and remuneration of external auditors; It also approves the engagement letter setting out the scope and terms of external audit;
- iii. assess periodically the skills, resources, and independence of the external audit firm and its

practices for quality control;

- iv. assess whether the accounting practices of the bank are appropriate and within the bounds of acceptable practice;
- v. ensure that there is appropriate structure in place for identifying, monitoring, and managing compliance risk as well as a reporting system to advise the committee and the board of instances of non-compliance on a timely basis;
- vi. discuss with senior management and external auditors the overall results of the audit, the quality of financial statements and any concerns raised by external auditors. This includes:
 - a. key areas of risk for misinformation in the financial statements, including critical accounting policies, accounting estimates and financial statement disclosures;
 - b. changes in audit scope;
 - c. whether the external auditor considers the estimates used as aggressive or conservative within an acceptable range;
 - d. significant or unusual transactions; and
 - e. internal control deficiencies identified during the course of the audit.
- vii. Further responsibilities of the audit committee includes:
 - a. review of the audited financial statements for adequacy before their approval by the board;
 - b. assessment of whether the institution has implemented adequate internal control and financial disclosure procedures;
 - c. review of any transactions brought to its attention by auditors or any officers of the bank, or that might otherwise come to its attention, which might adversely affect the financial condition of the bank;
 - d. report to the board on the conduct of its responsibilities in frequency specified by the board, with particular reference to section 39 of the Banking Act 2004; and
 - e. ensures 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.

The committee met four times during the year under review.

Nomination and remuneration committee

This committee comprises three members, with the chief executive officer, chief operating officer and the head of group HR being invitees. The committee reviews the salaries and bonuses of senior employees and senior management based on key performance indicators.

The nomination and remuneration committee operates within the following mandate:

- (a) recommend to the board candidates for board positions, including the chair of the board and chairs of the board committees;
- (b) recommend criteria for the selection of board members and criteria for the evaluation of their performance;
- (c) prepare for approval of the board the remuneration and compensation package for directors, senior managers, and other key personnel, taking into account the soundness of risk taking and risk outcomes as well as any relevant information available on industry norms;
- (d) recommend to the board an incentive package, as necessary, to enhance staff performance, while ensuring that incentives embedded within remuneration structures do not incentivize staff to take excessive risk;
- (e) recommend nominees for board committees; and
- (f) comment on the contribution of individual directors to the achievement of corporate objectives as well as on the regularity of their attendance at the board and committee meetings.

The committee met once during the year under review.

Corporate governance committee

This committee comprises three members with the chairman being an independent external director. The two other members are also directors on the parent company's board. The role of the corporate governance committee is to ensure that the reporting requirement with regards to corporate governance, whether in this annual report or on an ongoing basis, is in accordance with the principles of the applicable regulatory requirements and applicable code of corporate governance.

The corporate governance committee carries the following activities:

- advise the board on all aspects of corporate governance and recommend the adoption of best practices as appropriate;
- determine, agree and develop the bank's general policy on corporate governance in accordance with the Code of Corporate Governance for Mauritius and the Bank of Mauritius Guidelines;
- approve the corporate governance report to be published in the bank's annual report; and
- ensure that all reporting requirements and disclosures made in the annual report are in compliance with the disclosure provisions in the Code of Corporate Governance and the Bank of Mauritius Guidelines.

The committee met once during the year under review.

Conduct review committee

This committee comprises three members: the chairman of the board, one independent external director and one director who is also a director on the parent company's board. The committee monitors and reviews all related party transactions and ensures that market-based terms and conditions are applied to all related party transactions. The committee met four times during the year under review and noted no breaches of the Guideline on Related Party transactions issued by the Bank of Mauritius.

The responsibilities of the conduct review committee, as specified in the Guideline on Related Party Transactions issued by the Bank of Mauritius, include the following:

- require the management of the bank to establish policies and procedures to comply with the requirements of the Guideline on Related Party Transactions;
- review the policies and procedures periodically to ensure their continuing adequacy and enforcement, in the best interests of the bank;
- review and approve each credit exposure to related parties;
- ensure that 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 that may have a material effect on the stability and solvency of the financial institution is 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 exceptions to policies, processes and limits.

Investment committee

This committee comprises the chief executive officer, the chairman of the board and one independent external director. The committee is responsible for the review and management of the bank's investment portfolio and the review of new investment proposals. The investment committee meets on an ad hoc basis as circumstances dictate in order to conduct its affairs with respect to purchase or sell investment decisions.

The credit committee reviews all the new investment proposals and makes its recommendation known to the Investment committee. The investment committee then reviews all the new investment proposals and makes its determination known to the group investment committee. All investment proposals require the sanction of the group investment committee.

The committee met nine times during the year under review.

Risk management committee

This committee comprises three members including the chief executive officer.

The objectives of the committee are to:

- advise the board on the bank's overall current and future risk appetite;
- oversee senior management's implementation of the risk appetite framework; and
- report on the state of risk culture in the bank.

Four risk management committee meetings were held during the year under review.

King IV

The board is of the opinion that, based on the practices disclosed throughout this report, which were in operation during the year under review, the bank has applied the King IV principles as per below.

King IV Principles

Leadership, Ethics and Corporate Citizen

Principle 1

The governing body should lead ethically and effectively

The board is the governing body of the bank and committed to the good corporate governance principles as set out in King IV, the JSE Listing Requirements, the Companies Act 2001, the Banking Act 2004 and the National Code on Corporate Governance ('the Code'). Investec's values of commitment, integrity, responsibility, innovation and connectivity guide the behaviour of the fulfilment of daily responsibilities and duties.

Principle 2

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The board sets the tone from the top in the manner in which it conducts itself and oversees the governance framework and structures. Investec operates under a DLC structure and therefore considers the corporate governance principles and regulations of both the United Kingdom and South Africa and the other jurisdictions it operates through subsidiaries to adopting the appropriate standard for the group.

Investec's code of ethics and business conduct guides the ethical behaviour of all Investec employees and directors. The code is published on the Investec intranet, and incorporated by reference in employee contracts, employee induction and training programmes.

Principle 3

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The corporate social investment (CSI) committee has been tasked with the responsibility for monitoring the overall responsible corporate citizenship performance of the bank.

The board approves the strategy and priorities of the bank in accordance with its role of overseeing Investec's conduct as a responsible corporate citizen. The board oversees and monitors how operations and activities of Investec affect its status as a responsible corporate citizen.

Strategy, Performance and Reporting

Principle 4

The governing body should appreciate that the organisations core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The board is responsible for setting the strategy of the bank. The strategy is discussed in depth at the board. The bank's management present strategies to the board and Investec Group which the board and Investec Group in turn challenge and interrogate.

The monitoring and evaluation of the strategy is done on a regular basis. A review of performance against strategic objectives is included in the board pack for each meeting.

Principle 5

The governing body should ensure that reports issued by the organization enables stakeholders to make informed assessments of the organisations

The bank's annual report is published annually and is available online and in printed form.

performance and its short-, medium- and long-term prospects.

The board ensures that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosures to stakeholders and monitors Investec's communication with all stakeholders and disclosures made to ensure transparent and effective communication.

The audit committee is tasked with the specific duty of considering whether the annual report taken as a whole was fair, balanced, and comprehensible and provided the information necessary for stakeholders to assess the bank's performance.

Governing Structures and Delegation

Principle 6

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The board sets the tone from the top in the manner in which it conducts itself and oversees the governance framework and structures. The bank's constitution details the board's role, matters specifically reserved for the board, delegation to the CEO, membership requirements and procedural conduct at board meetings, amongst other things.

Principle 7

The governing body should comprise the appropriate balance of knowledge, skills experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The board, with the assistance of nomination and remuneration committee considers on an annual basis its composition in terms of balance of knowledge, skills, experience, diversity and independence and whether this enables it to effectively discharge its governance role and responsibilities objectively and effectively. The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power.

Directors are required to disclose any actual or potential conflict for consideration.

Principle 8

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

The board has retained specific matters for decision-making by the board, as per the bank's constitution. To achieve its objectives, the board, in terms of defined terms of reference, has delegated certain of its duties and functions to various committees, group forums and the CEO.

King IV Principles

Governing Structures and Delegation

Principle 9

The Governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The board continues to be committed to regularly evaluating its own effectiveness and that of its committees. The Board undertakes an annual evaluation of its performance and that of its committees and directors, with independent external input into the process every third year.

The company secretary's performance is evaluated annually to ensure that there is an arm's length relationship with the board. The board is satisfied that the company secretary and the function that he oversees is performing well.

Principle 10

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the

The board appoints the CEO who has the necessary powers and mandate to manage the bank and conduct the affairs of the bank in his discretion and as he deems fit, save for matters specifically reserved to the board, as per the

effective exercise of authority and responsibilities.

constitution or agreed by the board from time to time, dealt with and provided for in the formally adopted terms of reference of a board committee or other recognised forum. The CEO is a regular invitee at the nomination and remuneration committee. Any professional positions are discussed with the Chair and at the nomination and remuneration committee.

Governance Functional Areas

Principle 11

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

Risk management is embedded into day-to-day operations and culture. The board ensures that all decisions of the board on risk management policies and procedures are implemented and monitored.

Independent risk management, compliance, financial control functions supplemented by internal audit, who reports independently to the audit committee, ensures the management of risk.

Principle 12

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

The board delegates responsibility to management and monitors progress.

Principle 13

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and good corporate citizen.

There were no regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations imposed on the bank.

Principle 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.

The nomination and remuneration committee assumes responsibility for the governance of remuneration and sets the direction for how remuneration should be approached. The bank's overarching remuneration philosophy remains focused on employing and retaining the highest calibre individuals through the payment of industry competitive packages and long-term share awards, which ensure alignment with key stakeholders in our business.

Principle 15

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Representation from external audit, internal audit compliance and operational risk on the audit committee enables an effective internal control environment to support the integrity of information used for internal decision-making and support the integrity of external reports.

A combined assurance framework includes both coverage of significant risks and reporting of any issues raised relating to these risks.

An internal audit plan is presented for approval annually to the audit committee. The internal audit charter is revised every year. This charter defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted.

Principle 16

In its execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The bank's continually seeks to achieve an appropriate balance between risk and reward in its business, taking cognisance of all stakeholders' interests.

The CSI committee has been tasked to ensure a stakeholder-inclusive approach is followed.

The independence of appointed non-executive directors promote the interest of stakeholders.

The bank's reward programmes are administered to align directors' and employees' interests with those of all stakeholders and ensure the bank's short-, medium- and long-term success.

Financial reporting and going concern

The directors are required to confirm that they are satisfied that the bank has adequate resources to continue in business for the foreseeable future. The assumptions underlying the going concern statement are discussed at the time of the approval of the annual financial statements and these include:

- Budgeting and forecasts
- Profitability
- Capital
- Liquidity

In addition, the directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the bank's financial statements, accounting policies and the information contained in the annual report.

The bank's financial statements are prepared on a going concern basis.

The board is of the opinion – based on its knowledge of the bank, key processes in operation and specific enquiries – that there are adequate resources to support the bank as a going concern for the foreseeable future.

Furthermore, the board is of the opinion that the bank's risk management processes and systems of internal control are effective.

Management and succession planning

Business unit heads are appointed by executive management and endorsed by the board, based on the skills and experience deemed necessary to perform the required function.

Matters of succession are considered regularly. Decision-making is spread to encourage and develop an experienced pool of talent.

Internal control

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. The Investec group's board risk and capital committee and the audit committee assist the board in this regard. The board recognises its responsibility for the overall risk and control framework and for reviewing its effectiveness.

Internal control is designed to mitigate, not eliminate, significant risks faced by the bank. It is recognised that such a system provides reasonable, but not absolute, assurance against material error, omission, misstatement or loss. This is achieved through a combination of risk identification, evaluation and monitoring processes, appropriate decision and oversight forums, and assurance and control functions such as risk management, internal audit and compliance. These ongoing processes were in place throughout the year under review and until the date of approval of the annual report and accounts.

Internal audit reports any control recommendations to senior management and the audit committee. Appropriate processes ensure that timely corrective action is taken on matters raised by Internal Audit.

Internal financial controls

Internal financial controls are based on established policies and procedures. Management is responsible for implementing internal financial controls, ensuring that personnel are suitably qualified, that appropriate segregation exists between duties, and that there is suitable independent review. These areas are monitored by the board through the audit committee and are independently assessed by internal audit and compliance.

Processes are in place to monitor internal control effectiveness; identify and report material breakdowns; and ensure that timely and appropriate corrective action is taken.

Board of directors

The board seeks to exercise leadership, integrity and judgement in pursuit of strategic goals and objectives, to achieve long-term sustainability, growth and prosperity. The board operates within the group's governance framework and is accountable for the performance and affairs of the bank. It provides

leadership for the bank within a framework of prudent and effective controls which allows risks to be assessed and managed.

The board:

- Approves the bank's strategy
- Ensures that the bank complies with the applicable laws and considers adherence to non-binding rules and standards.
- Is responsible for the governance of risk, including that of information technology (IT).
- Acts as focal point for, and custodian of, corporate governance.
- Provides effective leadership on an ethical foundation.
- Ensures the bank is and is seen to be a responsible corporate citizen.

The board meets its objectives by reviewing and guiding corporate strategy, setting the bank's values and standards, promoting high standards of corporate governance, approving key policies and objectives, ensuring that obligations to its shareholders and other stakeholders are understood and met, understanding the key risks the bank faces, determining the bank's risk tolerance and approving and reviewing the processes in operation to mitigate risk from materialising, including the approval of the terms of reference of key supporting board committees.

In accordance with the Code of Corporate Governance for Mauritius and the Bank of Mauritius Guidelines on Corporate Governance, there is a clear division of responsibility between the chairman and the chief executive officer to ensure balance of power and authority. The board is led by the chairman while the chief executive officer leads the executive management team responsible for the day-to-day running of the business and affairs of the bank.

The majority of the board members are non-executive directors. The board comprises five members: the bank's chief executive officer, two independent external directors and two directors who are also directors on the parent company's board. Three of the directors are residents of Mauritius. A brief profile of each director is included below:

Directorate

Name	Age at date of this report	Date of appointment	Qualifications	Current other directorships	Committee membership	Brief biography
David M Lawrence (Chairman)*	67	3 October 1997	BA(Econ) (Hons) MCom	Investec Bank Limited and a number of outside companies including JSE Limited	1,3,4,5,6,7	Currently the deputy chairman of Investec Bank Limited and chairman of the board of directors of the bank. Former chairman and managing director of Citibank (South Africa), and managing director of FirstCorp Bank Limited.
Peter RS Thomas*	73	13 May 2005	CA(SA)	Investec Bank Limited, various Investec companies, JCI Limited and various listed and unlisted companies	2,3,4,5	Peter was the former managing director of The Unisec Group Limited. Currently chairman of the audit committee of the bank.
Pierre de Chasteigner du Mée**	65	4 June 1999	ACEA FBIM FMAAT	Investec Wealth & Investment (Mauritius) Limited P.O.L.I.C.Y Ltd, and various private companies	1,2,3,4,6,7	Pierre, a stockbroker, is the director and secretary of Associated Brokers Ltd. Pierre is also a director of the National Pension Fund, National Pension/National Savings Fund's investment committee and vice-president of P.O.L.I.C.Y. Limited.
Angelique Anne Desvaux de Marigny**	42	14 August 2005	LLB, barrister-at-law Maitrise en Droit Privé (Université de Paris I-Panthéon-Sorbonne)	None	2,5	Angelique is a barrister-at-law. She initially practised as a litigation counsel for the first years of her career before joining the CIEL group as head of legal affairs. In 2009, she returned to private practice and has since undertaken advisory work and litigation before the domestic courts in various fields. In 2014, she was actively involved in setting up De Speville-Desvaux, a multi-disciplinary set of chambers where she is currently practising.
Craig C Mckenzie	57	25 February 2000	Bsc Msc CFA	Investec Wealth & Investment (Mauritius) Limited various unlisted companies	1,6,7	Chief executive officer with 29 years of banking experience.

1. Board sub-committee.
 2. Audit committee.
 3. Nomination and remuneration committee.
 4. Conduct review committee.
 5. Corporate governance committee.
 6. Investment committee.
 7. Risk management committee.
- * Non-executive director.
** Independent director.

Details of the attendance at the board and board committee meetings held during the year are shown in the table below:

Meetings attendance

Directors	Board	Audit committee	Board sub-committee	Nomination and remuneration committee	Conduct review committee	Corporate governance committee	Investment committee	Risk management committee
David M Lawrence	4/4		5/5	1/1	4/4	1/1	9/9	4/4
Craig C McKenzie	4/4		5/5				9/9	4/4
Pierre de Chasteigner du Mée	4/4	4/4	5/5	1/1	4/4		6/9	4/4
Angelique A Desvaux de Marigny	4/4	4/4				1/1		
Peter RS Thomas	4/4	4/4		1/1	4/4	1/1		

The directors of the subsidiary, Investec Wealth & Investment (Mauritius) Limited, are as follows:

Craig C McKenzie (chairman)
Henry Blumenthal (non-executive)
Joubert Hay (non-executive)
Pierre de Chasteigner du Mée
Rodney Marthinusen (non-executive)
Mathieu Leheilleix (chief executive officer)

Skills, knowledge, experience and attributes of directors

The board considers that the skills, knowledge, experience and attributes of the directors as a whole are appropriate for their responsibilities and the bank's activities. The directors bring a range of skills to the board including:

- International business and operational experience.
- Understanding of the economics of the sectors in which we operate.
- Knowledge of the regulatory environments in which we operate.
- Financial, accounting, legal and banking experience and knowledge.

The skills and experience profile of the board and its committees are regularly reviewed to ensure an appropriate and relevant composition from a governance, succession and effectiveness perspective.

Board and board committees

The board's performance is evaluated annually and covers areas of the board's processes and responsibilities according to leading practice. The board committees are evaluated every three years.

The performance evaluation process takes place both informally, through personal observations and discussions, and/or in the form of evaluation questionnaires. The results are considered and discussed by the board. The chairman meets with directors to discuss the results of the formal and informal evaluations and, in particular, to seek comments on strengths and developmental areas of the members, the chairman and the board as a whole. Individual training and development needs are discussed with each board member and any requests for training are communicated to the company secretary for implementation.

Performance evaluation of the board as well as training and development of directors are matters that are often raised at the board.

Ongoing training and development

Board members receive formal presentations on regulatory and governance matters as well as on the business and support functions.

The company secretary liaises with directors to source relevant seminars and conferences which directors could attend, funded by Investec.

Following the board's and board committee's performance evaluation process, any training needs are communicated to the company secretary who ensures these needs are addressed.

During the period under review, one training session for directors was organised.

Directors' interest and dealings in shares

All the shares of the bank are held by its sole shareholder namely, Investec Bank Limited.

Directors' emoluments

The executive and non-executive directors received emoluments amounting to US\$1 587 472 for the year under review (2017: US\$1 068 672 and 2016: US\$1 217 682).

The remuneration of directors has not been disclosed on an individual basis as the parent company, being the sole shareholder, has the detailed remuneration information.

Directors' service contracts and terms of employment

The chief executive officer, who is the only executive director of the bank, has an indefinite contract of employment, terminable by either party giving the required written notice to the other.

The chief executive officer is entitled to receive a basic salary and is also eligible for an annual bonus and to participate in the group share incentive scheme, the amount of which is determined at the discretion of the nomination and remuneration committee.

The non-executive directors do not have service contracts, but letters of appointment confirming the terms and conditions of their service. Unless the non-executive directors resign earlier or are removed from their positions, they will remain as directors until the close of the next annual general meeting.

Directors' and officers' liability insurance

The bank has arranged for appropriate insurance cover in respect of any legal action against its directors and officers.

Donations

Any donations provided by the bank are made as part of the bank's corporate social and business responsibility. No political donations are made.

Dividend policy

Although the bank does not have a formal dividend policy, dividends are paid to its sole shareholder subject to profitability and subject to the approval from the Bank of Mauritius and the solvency test required under section 61(2) of the Companies Act 2001 of Mauritius being satisfied.

No dividends were paid during the year (2017: nil).

Executive management

The board has delegated the day-to-day running of the business and affairs of the bank to its executive management. Issues are debated and decisions in management forums are taken unanimously.

The executive management team of the bank is made up of the chief executive officer and chief operating officer. Below is the profile of the management team.

Craig C McKenzie - chief executive officer

Craig C McKenzie joined Investec Bank (Mauritius) Limited in 2000 as chief executive officer. He has more than 29 years' banking experience and holds Bachelor and Master of Science degrees in agricultural economics from the University of Natal (South Africa). He is also a chartered financial analyst (CFA).

Lara Ann Vaudin - chief operating officer

Lara Ann Vaudin qualified as an attorney-at-law in Johannesburg, South Africa in 1996. She holds a BA LLB from the University of the Witwatersrand and an LLM (corporate law) from the University of South Africa. She joined the bank in 2004 as the bank's legal adviser and is currently the chief operating officer of the bank.

Other statutory disclosures

In accordance with section 221(4) of the Companies Act 2001, the sole shareholder of the bank has, by way of written resolution, agreed that the annual report of the bank does not need to comply with paragraphs (a) and (d) to (i) of section 221(1) of the Companies Act 2001.

External audit

Ernst & Young (EY) were the bank's external auditors up to 31 March 2017. As from April 2017, KPMG have been appointed as the external auditors following the change in the Banking Act which requires banks to rotate audit firms every five years. EY were not eligible for reappointment having been auditors for more than five years.

The independence of the external auditors is reviewed by the audit committee each year. The audit committee meets with the external auditors to review the scope of the external audit, budgets, the extent of non-audit services rendered and all other audit matters.

The external auditors are invited to attend audit committee meetings and have access to the chairman of the audit committee.

Regulation and supervision

The bank is subject to regulation by its host regulator, Bank of Mauritius as well as the South African Reserve Bank. It seeks to achieve open and active dialogue with its regulators and supervisors in order to comply with the various regulatory and supervisory requirements. The bank reports to regulators and supervisory bodies regularly and is subject to an annual on-site inspection.

Values and code of conduct

Investec has a strong organisational culture of entrenched values, which forms the cornerstone of its behaviour towards all stakeholders. These values are embodied in a written statement of values which serves as its code of ethics, and is continually reinforced.

The bank conducts its business with uncompromising integrity and fairness, so as to promote trust and confidence in the banking industry.

Human resources and remuneration policy

The bank's philosophy is to employ high calibre individuals who are characterised by integrity and innovation and who adhere and subscribe to its culture, values and philosophies. The bank promotes entrepreneurship by providing a working environment which stimulates extraordinary performance.

The bank rewards its employees for their contribution through payment of a competitive annual package, a variable performance bonus and ownership in the form of share incentive scheme participation in Investec Limited. Other factors are also considered important such as the organisation's core values, work content and management style in the attraction, retention and motivation of employees.

Internal audit

The internal audit function is managed at a group level and is tasked with providing the board with an independent and objective opinion as to the bank's control environment in relation to the risks it faces. Internal audit recommends enhancements to risk management, control and governance processes where weaknesses are identified.

A representative from group internal audit reports at each audit committee meeting and has a direct

reporting line to the chairman of the audit committee. He/she operates independently of executive management, but has access to the chief executive officer and the chairman of the audit committee.

Annually, group internal audit conducts a formal risk assessment of the bank's business from which a comprehensive risk-based annual audit plan is derived. The assessment and programme are validated by executive management and approved by the audit committee.

The group internal audit team comprises well-qualified, experienced staff and ensures that the function has the competence to match the bank's diverse requirements. Where specific specialist skills or additional resources are required, these will be obtained from third parties as appropriate. The internal audit resources are subject to review by the audit committee.

The audit committee receives a report on significant issues and actions taken by management to enhance related controls.

Compliance

Compliance risk is the risk that the bank fails to comply with the letter and spirit of all statutes, regulations, supervisory requirements and industry codes of conduct which apply to the bank's business. The bank seeks to bring the highest standard of compliance best practice. In keeping with its core values, the bank also endeavours to comply with the highest professional standards of integrity and behaviour, which build trust.

The compliance function ensures that the bank complies with existing and emerging regulations impacting on its operations.

The bank recognises its responsibility to conduct business in accordance with the laws and regulations of the country and areas in which it operates. The compliance function is supported by group compliance and the compliance officer of the bank.

The bank is subject to extensive supervisory and regulatory governance. Significant business developments in any of its operations must be approved by both the Bank of Mauritius and the South African Reserve Bank.

The bank's head of compliance reports to the chief executive officer, as well as to the group head of compliance and the audit committee. The bank's head of compliance provides regular training to ensure that all employees are familiar with their regulatory obligations; provides advice on regulatory issues; and works closely with business and operational units to ensure consistent management of compliance risk.