



Investec Bank (Mauritius) Limited
Committees' terms of reference and composition



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The following committees have been established by the board of directors (“the board”) of Investec Bank (Mauritius) Limited (“the bank”) to promote the highest level of corporate governance:

- in regard to the matters set out below; and
- in ensuring compliance with the requirements of the regulators of the bank.
- in ensuring compliance with the requirements of the Code of Corporate Governance for Mauritius (“the Code”) issued by the National Committee on Corporate Governance established under the Financial Reporting Act 2004.

Audit committee

1. Membership and Composition

- The committee members and its chairperson shall be appointed, removed or replaced by the board at any time;
- The committee membership will automatically end at such time as a member ceases to be a member of the board;
- The committee shall at all times have at least three members who are non-executive directors of the board;
- The committee shall at all times have at least one member who is an independent, non-executive director;
- The committee members shall be identified in the bank’s annual report, and if required, their attendance at committee meetings during each year will be disclosed;
- The chairperson of the committee may at his discretion invite non-members to meetings as deemed necessary;
- The members of the Audit committee should preferably have financial background and be conversant with both the international auditing standards (IASs) and international financial reporting standards (IFRSs);
- All committee members should meet predetermined skills, competency and experience requirements. The committee is free to consult with specialists or consultants to assist it with the performance of its functions, subject to a board-approved process;
- All committee members must keep up-to-date with developments affecting the required skill set;
- The chairperson of the committee shall be a non-executive director of the bank or a non-executive director of the Investec group and shall be appointed by the board;
- The chief executive officer, chief operating officer and head of compliance shall be permanent invitees. The majority of the committee must at all times be non-executive directors of the board of the bank or other independent persons invited for their particular knowledge or expertise;

- Members of the board, who are not members of the committee, shall have the right to attend the committee meeting and shall notify the chairperson of their wish to exercise this right;
- The following persons are automatically invited to attend all committee meetings (if they are not already members of the audit committee, then in an ex officio capacity unless otherwise decided by the audit committee)
 - Any member of the Investec Bank Limited audit committee
 - Accounts and Finance manager
 - Two representatives of the external auditors
- Any other persons, as determined by the chairperson of the audit committee may be required to attend a specific meeting (or part thereof) to report on any particular matter/issue;
- Each executive/officer/auditor who attends committee meetings shall have the right to attend and be heard at committee meetings; and
- The chairperson of the committee may ask any or all of the executives/officers/auditors to withdraw from the meeting.

2. Quorum

A quorum shall be **two** members, including the chairperson.

3. Secretary

The company secretary or his nominee shall act as secretary of the committee.

4. Frequency and notice of meeting dates

- Committee meetings will be called by the secretary at the request of any of its members, other than the four pre-determined meetings per annum;
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each committee members and any other person required to attend at least seven days before the date of the meeting; and
- The committee chairperson and the secretary will set the agenda of each meeting.

5. Meetings other than in person

Where deemed appropriate by the chairperson, meetings and subsequent approvals and recommendations may occur via written resolution or conference call or other electronic means of audio or audio-visual communication.

6. Voting

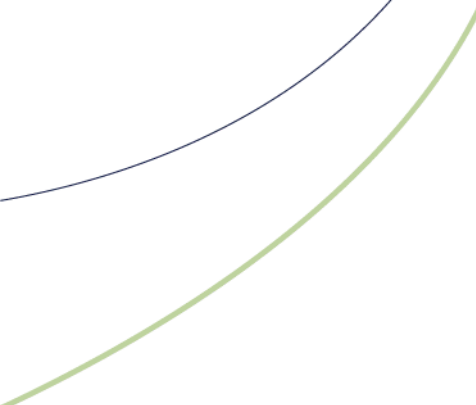
Decisions of the committee shall be unanimous, otherwise, shall be referred to the board.

7. Minutes of meetings

The secretary shall record the proceeding of each meeting, which shall be kept in the minute book. The draft minutes of each meeting shall be reviewed by the chairperson and, upon finalisation, shall be circulated to each member of the committee and be confirmed at the following meeting.

8. Responsibilities of the Audit Committee

- i. The Audit Committee should 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. The Audit Committee, should recommend to shareholders the appointment, removal, and remuneration of external auditors. It should also approve the engagement letter setting out the scope and terms of external audit.
- iii. The Audit Committee shall approve the remuneration of the Head of Internal Audit.
- iv. The Audit Committee should assess periodically the skills, resources, and independence of the external audit firm and its practices for quality control.
- v. The Audit Committee should assess whether the accounting practices of the auditee are appropriate and within the bounds of acceptable practice.
- vi. The Audit Committee should 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.
- vii. The Audit Committee should 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 should include:
 - 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.
- viii. Further responsibilities of the Audit Committee include:

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- 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 institution, or that might otherwise come to its attention, which might adversely affect the financial condition of the institution;
 - 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. 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

9. Specific reporting responsibilities and recommendations to the board

- The secretary shall circulate the minutes of the committee to its members and if requested to the boards of Investec Limited and Investec Bank Limited
- The Committee will:
 - Report its findings to the board and to the Group Audit Committee;
 - Keep the board appraised on matters relating to the accounting practices and the internal financial controls of the bank;
 - Assist the board in making a going concern statement;
 - Recommend to the board whether the external auditor should perform assurance procedures on interim results;
 - Evaluate the suitability of the expertise and experience of the Finance Director/Head of Finance and recommend to the board if changes are necessary;
 - Report on the results of the review of the Finance function;
 - Conclude and report yearly to the board on the effectiveness of the bank's internal financial controls – and report on weaknesses in financial control, whether from design, implementation or execution that are considered material;
 - Report to the board on how it has fulfilled its duties, in terms of the relevant Companies Act and Terms of reference during the financial year;
 - Provide assurance to the board on the effectiveness of the compliance function control framework, procedures and processes;
 - Provide assurance to the board with regard to the controls in place to mitigate IT risks.

10. Scope of duties

The foregoing list of reporting responsibilities and disclosure obligations is not intended to be either complete or exclusive, and the Audit Committee shall, in addition, have such powers as may be necessary or appropriate for the performance of its duties in terms of these terms of reference. All interpretations and determinations of the committee made in accordance with the authority granted to it herein shall be binding on all interested parties.

11. Powers

- The committee shall have the power to call a meeting of the board of directors.
- The committee shall have the power to require any executive officer or employee of the bank or any of its subsidiaries and their divisions to furnish it with any information that it requires or to make an oral report to the committee at a meeting.
- The committee shall have the power to require Internal audit or compliance to carry out specific tasks or reviews.
- The committee shall, at its discretion, be entitled to seek and rely on legal and accounting advice for which the bank will pay.
- It is expressly provided that the committee shall not have any executive powers and accordingly no executive duties with regard to its findings and recommendations.
- The committee will meet with internal and external auditors at least once a year without management being present.

12. Review of Terms of reference

The board will review the terms of reference on an annual basis.

Board Sub-committee

1. Powers

The committee will have 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. section 52 (Issue of other shares);
- ii. section 56 (Consideration for issue of shares);
- iii. section 57(3) (Shares not paid for in cash);
- iv. section 61 (Board may authorise Distribution);
- v. section 64 (Shares in lieu of Dividends);
- vi. section 65 (Shareholder discounts);
- vii. section 69 (Purchase of own shares);
- viii. section 78 (Redemption at option of Company);
- ix. section 81 (Restrictions on giving financial assistance);
- x. section 188 (Change of registered office);
- xi. section 246 (Approval of Amalgamation proposal);
- xii. section 247 (Short form Amalgamation).

2. Attendance and voting

The committee may meet and if it does so:-

5.1 written notice of the meeting shall not be required nor there any specific period of notice for meetings;

5.2 a quorum at a meeting of the committee shall be **2 (two)** members of the committee personally present (unless a resolution is passed by round robin);

5.3 no business shall be conducted at a meeting of the committee unless a quorum is present; and

5.4 decisions of the committee shall be unanimous.

3. Procedures

6.1 Save as expressly provided herein, the committee shall be authorised to specify its own procedure in all matters connected therewith.

6.2 A resolution in writing (“round robin” resolution) signed by at least **2 (two)** members of the committee shall be valid and have the same effect as a resolution taken at a meeting of the committee.

It is specifically provided that:

6.2.1 the “round robin” resolution need not be contained in a single document;

6.2.2 a facsimile copy of a “round robin” resolution signed by any member of the Committee or an email confirmation received from any member of the committee shall be treated as a valid copy of the resolution in question;

6.2.3 a “round robin” resolution signed by the members of the committee (where it is not contained in a single document, the counter-parts comprising that resolution) shall be entered in the minute book and shall be tabled for information at the next meeting of the board of directors after the date of signature thereof;

6.2.4 where a facsimile copy of the resolution is one of the counter-parts, that facsimile copy or email confirmation of the resolution, a Xerox or equivalent thereof shall be kept in the minute book; and

6.2.5 the tabling of resolutions (whether taken at a meeting or by way of “round robin” resolution) at a meeting of the board of directors for information as provided above, shall not be prerequisite for the validity of such resolution.

4. Reporting

7.1. A minute of the committee meeting recording at least the resolutions taken shall be prepared and shall be tabled for information at the next meeting of the board of directors; and

7.2. Notwithstanding anything to the contrary contained above, any member of the committee shall have the right at his sole discretion to request that any matter submitted to the committee at a meeting or by way of “round robin” resolution should instead be submitted for the consideration of the full board.

5. Review of terms of reference

The board will review the terms of reference on an annual basis.

Nomination and remuneration committee

1. Objective:

The role of the **Nomination and remuneration committee** will be to work on behalf of the board of directors of the bank with 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 incentivise 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.

2. Membership

The Committee will comprise of **three** non-executive directors

3. Quorum

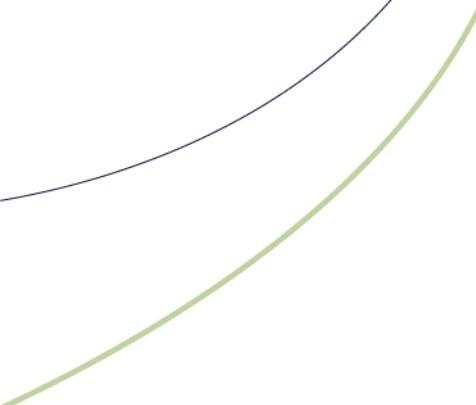
Two members constitute a Quorum

4. Procedures

The Committee shall meet at least once during the bank's financial year.

Salary and bonus review:

1. The chief executive officer and the chief operating officer shall meet with the Business Unit Heads of the bank to discuss and assess the salary bonus awards for each employee.
2. In respect of salary reviews, the current Mauritian Consumer Price Index is one of the key parameters taken into account in deciding salary increases.

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3. In respect of bonus awards the following key performance indicators are assessed in respect of each employee:
 - a) Performance of the bank;
 - b) Performance of Investec Group;
 - c) Performance of the employee;
 - d) Teamwork;
 - e) Initiative;
 - f) Whether or not the individual is key to the Company.

 4. The assessment done by the chief executive officer and the chief operating officer will be submitted to one of the non-executive directors for review with Investec Head of group HR.

The Nomination and remuneration committee will review the decisions made for the employees in general and will specifically consider the proposed decisions made in respect of the company's senior personnel.

5. Review of terms of reference

The board will review the terms of reference on an annual basis.

Corporate governance committee

1. Objective:

The role of the **Corporate governance committee** will be to ensure that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles of the applicable regulatory requirements and applicable Code of Corporate Governance.

2. Terms of Reference

The Corporate governance committee is involved in the following activities:-

- advise the board on all aspects of corporate governance and to 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.

3. Membership

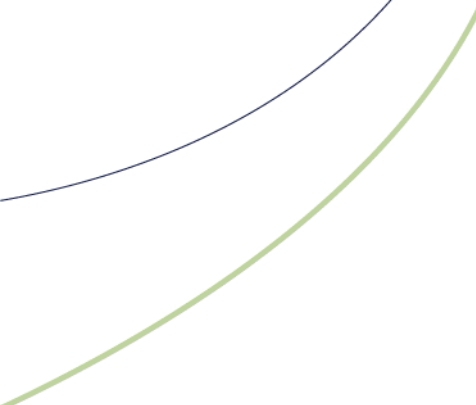
The Committee will comprise of **three** non-executive directors.

4. Quorum

The quorum for decisions of the Committee shall be any **two** members present throughout the meeting who shall vote on the matter for decision.

5. Meetings and Procedures

Meetings of the committee will be held as the committee deems appropriate. However, the committee shall meet at least once each year. The chairperson of the committee or any member of the committee may call a meeting at any other time;



The notice of each meeting of the committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the committee not less than four working days prior to the date of the meeting;

Unless varied by these terms of reference, meetings and proceedings of the committee will be governed by the company's constitution regulating the meetings and proceedings of directors and committees;

Minutes of all meetings shall be circulated to all the members of the committee and may also, if the chairperson of the committee so decides be circulated to other members of the board.

The committee, in carrying out its tasks, under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties;

These terms of reference may be amended as required, subject to the approval of the board.

6. Review of terms of reference

The board will review the terms of reference on an annual basis.

Conduct review committee

1. Objective:

The role of the **conduct review committee** is to monitor and review the related party transactions

2. Terms of reference

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.

3. Membership

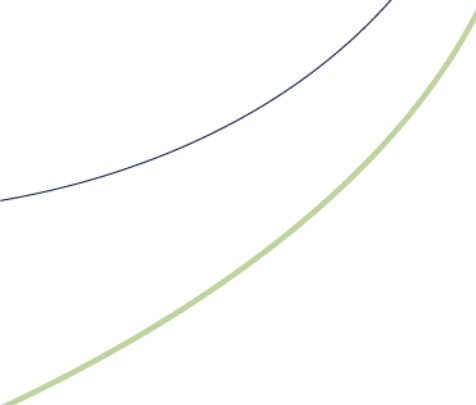
The committee will comprise of **three** non-executive directors.

4. Quorum

The quorum for decisions of the committee shall be any **two** members present throughout the meeting who shall vote on the matter for decision.

5. Meetings and Procedures

- Meetings of the committee will be held as the committee deems appropriate. However, the committee shall meet at least once every quarter. The chairperson of the committee or any member of the committee may call a meeting at any other time;
- The notice of each meeting of the committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the committee not less than four working days prior to the date of the meeting;

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- In approving a transaction with a related party, the committee must ensure that the transaction's terms and conditions comply with the spirit of the Guideline on Related Party Transactions and are at least as favorable to the bank as market terms and conditions;
 - Within 90 days after the close of the financial year, the board of directors of the bank shall report to the Bank of Mauritius on the mandate and responsibilities of the conduct review committee and on the proceedings of the committee during the year in executing its responsibilities under the guideline, including any material violations of the guideline.

6. Review of terms of reference

The board will review the terms of reference on an annual basis.



Investment committee

1. Purpose

There are occasions where the bank has the opportunity to participate as principal in business ventures by way of equity or quasi equity investment. These may be quoted or unquoted opportunities.

These investments will be by nature more entrepreneurial than primary lending or mezzanine finance and may be unsecured.

Where these opportunities present themselves, the bank's Investment committee is empowered to make decisions as to whether to invest, sell or hold, subject to the terms of this document.

2. Authority

The Credit committee shall review all new investment proposals and make their recommendation known to the Investment committee.

The Investment committee shall review all new investment proposals and make their determination known to the Group Investment committee.

All investment proposals will be presented to the Group Investment committee and require the sanction of that forum.

The Investment committee shall sell securities as and when deemed appropriate. In instances where the value of the security exceeds US\$1.0 million, the Investment Committee will inform the Group Investment Committee of its intention beforehand.

The Investment committee shall meet on an ad hoc basis as circumstances dictate in order to conduct its affairs with respect to purchase or sell decisions.

3. Membership

The committee will comprise of three non-executive directors.

4. Chairperson

The chairperson of the Investment committee will be Mr. Craig C **Mckenzie**. In his absence, the chairperson will be Mr. David M **Lawrence**.

5. Quorum

A quorum comprises of two members and all decisions are unanimous.

6. Process

Requests for investment will be presented in writing, with all supporting information, by the motivator of the transaction. Should the motivator be a member of the Investment Committee, then he will be precluded from being part of the voting quorum for that transaction.

The decision and applicable conditions will be recorded by way of written minute and signed by the quorum present. The minutes will be placed on the business investment file and a copy sent to company secretary for retention.

Where a positive decision is made, a copy of the presentation and sanctioning minute will be sent by the secretary to:

Central Accounts/Regulatory Reporting

- To ensure the investment is properly accounted for and necessary capital treatment is applied.
- To ensure an up to date schedule of all investments is maintained.

Compliance

- To ensure appropriate conflicts of interest checks are carried out and any necessary reporting is made.

Legal

- To ensure all legal documentation is prepared and reviewed.

Treasury

- To ensure that the funds are available and the transaction recorded.

7. General

Each investment will have an employee of the bank charged with responsibility for that investment. That person must ensure all legal and compliance requirements are met, which must be evidenced by way of appropriate sign off.

Funds will be paid away by Treasury, subject to the sign off previously mentioned.



8. Post Investment Review

The Investment committee will meet regularly (usually quarterly or more often if required) to review the investment schedules and determine that the investments are being adequately managed.

Information on all investments will be maintained and provided by Central Accounts. The individuals responsible for the investment will be called to provide additional information as required.

Minutes will be kept of the review process.

9. Review of terms of reference

The board will review the terms of reference on an annual basis.

Risk management committee

1. Objectives

The objectives of the Risk management 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.

2. Scope of duties

The major tasks of the Risk management committee include the following:

- (a) Identification of principal risks, including those relating to credit, market, liquidity, operational, legal, compliance and reputation of the bank and actions to mitigate the risks;
- (b) appointment of a chief risk officer who, among other things, shall provide assurance that the oversight of risk management is independent from operational management and is adequately resourced with proper visibility and status in the organisation;
- (c) ensuring independence of the chief risk officer from operational management without any requirement to generate revenues;
- (d) requirement of the chief risk officer to provide regular reports to the committee, senior management and the board on his activities and findings relating to the institution's risk appetite framework;
- (e) receive from senior officers periodic reports information on risk exposures and activities to manage risks; and activities;
- (f) formulate and make recommendations to the board on risk management issues

3. Membership and composition

- Risk management committee members and its chairperson shall be appointed by the board.
- Members may be removed or replaced by the board at any time.
- Membership will automatically end at such time as a member ceases to be in the employment of the group or a member of the board.
- Members shall be identified in the Investec Annual Report, and if required, their attendance at the committee meetings during each year.
- Other individuals may be invited to attend all or part of a meeting as and when appropriate or when their expertise is required, but shall not have a vote.
- The committee will comprise of three non-executive directors.
- Risk Management Committee will be chaired by Pierre de Chasteigner du Mée.

4. Meetings procedures

Notice of meetings

- Meetings of the committee will be held as the committee deems appropriate. However, the committee shall meet at least once every quarter.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each Risk management committee member and any other person required to attend, at least seven working days before the date of the meeting.

Meetings other than in person

Where deemed appropriate by the chairperson of the Risk management committee, meetings and subsequent approvals and recommendations may occur via written resolution or conference call or other electronic means of audio or audio-visual communication.

Quorum

A quorum shall be **two** members and must include a chairperson referred to above, all who must be present throughout the meeting.

Minutes of meetings

The secretary shall minute the proceedings and resolutions of all Risk management committee meetings, which shall be circulated promptly to:

- all Risk management committee members and other Risk management committee meeting attendees as appropriate; and
- members of the board, and the Audit committee.

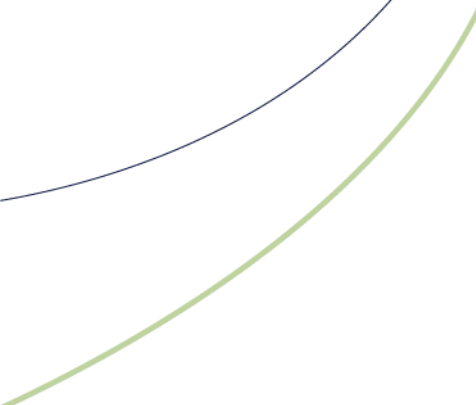
5. Reporting responsibilities

The Risk management committee shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities and make recommendations it deems appropriate.

6. Authority

The board authorises the Risk management committee:

- to perform each of the specific duties and undertake each of the reporting responsibilities contained in these terms of reference and have the power to delegate authority to sub-committees or individuals, as it deems appropriate; and

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- to investigate any matter within its terms of reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Risk management committee).

7. Interface with Audit committee

The Audit committee has the primary role in providing assurance to the board that enterprise wide risks have been correctly identified and appropriate controls are in place. Therefore, the Audit committee will rely on the output of the Risk management committee to give assurance as regards enterprise wide risk.

8. Review of Terms of reference

The board will review the terms of reference on an annual basis.

Committees' compositions

The compositions of the seven sub-committees of the board are as follows:-

Audit Committee

Peter RS Thomas (chairperson)
Angelique A Desvaux de Marigny
Pierre de Chasteigner du Mée

In attendance

Chief executive officer
Chief operating officer
Head of finance
Head of compliance
Group head of market risk
Group head of internal audit
Group compliance officer
External auditors

Board sub-committee

David M Lawrence (chairperson)
Pierre de Chasteigner du Mée
Craig C McKenzie

Nomination and remuneration committee

David M Lawrence (chairperson)
Peter RS Thomas
Pierre de Chasteigner du Mée

In attendance

Craig C McKenzie (CEO)
Lara Ann Vaudin (COO)
Group head of HR

Conduct review committee

Pierre de Chasteigner du Mée (chairperson)
David M Lawrence
Peter RS Thomas

In attendance

Craig C McKenzie (CEO)



Corporate Governance Committee

Angelique A Desvaux de Marigny (chairperson)
David M Lawrence
Peter RS Thomas

Investment Committee

Craig C McKenzie (chairperson)
David M Lawrence
Pierre de Chasteigner du Mée

Risk Management committee

Pierre de Chasteigner du Mée (chairman)
Craig C McKenzie
David M Lawrence

In attendance

Peter RS Thomas
Angelique A Desvaux de Marigny
Lara Ann Vaudin (COO)
David Desvaux de Marigny (head of finance)
Farzanah Nowbuth (head of compliance)
James Catto (Head of treasury)

