

## CORPORATE GOVERNANCE REPORT

### Governance framework

Investec Bank (Mauritius) Limited recognises that an effective and efficient governance framework provides a solid basis for transparent decision-making which reflects the importance that it places on honesty, integrity, quality and trust. The Bank operates within a clearly defined governance framework which provides for delegation of authority with clear lines of responsibility while retaining effective control. The Board is collectively accountable for the performance, long-term success, reputation and governance of the Bank.

The Board also assumes the accountability for the Bank meeting all its statutory and regulatory requirements. The Board of Directors of the Bank considers that it has applied, in all material respects, the eight principles of corporate governance of the National Code on Corporate Governance of Mauritius (the Code) throughout the financial reporting period. Stakeholders are therefore assured that the Bank is being managed ethically and is in compliance with the latest legislation, regulations and best practice.

The following sections describe in detail how the eight principles of the Code have been applied at the Bank:

#### Principle 1: Governance structure

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 is accountable for the performance and affairs of the Bank. It provides leadership for the Bank within a framework of prudent and effective controls that allow risks to be assessed and managed.

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 stakeholders are understood and met, understanding the key risks the Bank faces, determining its risk tolerance, and approving and reviewing the processes put in place to mitigate risks including the approval of the terms of reference of key supporting Board committees.

The Board acknowledges that there may be certain recommended or prescribed corporate governance principles that could not be applied from time to time. However, the Board ensures that the necessary disclosures and explanations are provided in the annual report, for any instance of non-compliance. At all times, the Board endeavours to adopt best practice or the stricter approach, considering its structure, culture and values.

To apply the above principle, the Board of Directors of the Bank has developed, approved and implemented the following documents:

#### Board charter

The Board charter sets out the objectives, roles and responsibilities and composition of the Board of Directors of the Bank. The approved Board charter is reviewed by the Board on an annual basis and a copy is posted on the Bank's website.

#### A code of ethics

Investec has a strong organisational culture of entrenched values, which forms the cornerstone of its behaviour towards all its 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.

The Bank is a member of the Mauritius Bankers Association (MBA). The Bank not only subscribes to the MBA's Code of Ethics, it also embraces it.

The Bank operates in a regulated environment and as such there are continuing obligations to conduct itself with integrity. The legislation which the Bank adheres to regulates, amongst other things, anti-bribery and corruption, personal account dealing, training and competence, responsible lending, whistleblowing, anti-money laundering and financial crime prevention, treating clients fairly and data protection.

The following documents have been approved by the Board and are posted on the Bank's website:

- The Constitution
- The Code of ethics
- The Position statements of the chair of the Board and the Board committees, Chief Executive Officer and the Company Secretary
- An organisational chart and major accountabilities

#### Principle 2: The structure of the Board and its committees

The Bank is a public interest entity as defined in the Code, and is led and controlled by a unitary board of directors.

In accordance with the Code and the Bank of Mauritius Guideline on Corporate Governance, there is a clear division of responsibility between the Chair and the Chief Executive Officer to ensure balance of power and authority. The Board is led by the Chair while the Chief Executive Officer leads the executive management team responsible for the day-to-day running of the business and handling of the daily activities of the Bank.

The Board comprises five members: the Bank's Chief Executive Officer, two independent non-executive directors (40%) and two non-independent non-executive directors. Out of the two non-independent non-executive directors, one director is also a member of the parent Company's Board as a senior independent non-executive director. Three directors are resident in Mauritius and the other two directors reside in South Africa. The Board is made up of 20% female directors.

David M Lawrence, the former director and Chair of the Board retired on 1 October 2021 after more than 20 years of valuable contribution to the Bank, the Board and Board committees. Lourens F Janse van Rensburg was appointed as director and the new Chair of the Board effective from 1 October 2021.

Pierre de Chasteigner du Mee, former director and Chair of the Conduct Review Committee and the Risk Management Committee also retired on 1 April 2022 after more than 20 years of valuable contribution to the Bank, the Board and Board committees. Kailash Sharma Ramnauth was appointed as an independent non-executive director on the Board of the Bank effective from 1 April 2022.

Ramdeo (Dev) Erriah was appointed as the lead/senior independent non-executive director of the Bank effective from 5 April 2022.

The Board ensures that there is an appropriate balance of skills, experience and knowledge of the organisation to enable the directors to discharge their respective duties and responsibilities effectively and efficiently.

The Board is of the opinion that independence cannot be determined solely and arbitrarily on the basis of time. A director's contribution in terms of experience, expertise, objectivity and independent judgement in engaging

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and challenging management, in the interest of the Bank in the course of performing his/her duties, is the likely yardstick to measure independence, irrespective of the number of years he/she has been a director.

The Board is also of the opinion that given the size and scale of operation of the Bank, the appointment of a second executive director is not warranted. The chief operating officer, a member of the executive management of the Bank, is an invitee to the Board and Board committee meetings.

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**Board committees**

To achieve its objectives, the Board delegates certain of its duties and functions to the Board committees, forums or the Chief Executive Officer, without abdicating its own responsibilities.

The following committees have been established by the Board of Directors of the Bank to efficiently discharge its duties and promote the highest level of corporate governance:

**Investec Bank (Mauritius) Limited – Board of Directors**

<b>Board Sub-Committee</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Corporate Governance Committee</b>	<b>Conduct Review Committee</b>	<b>Investment Committee</b>	<b>Risk Management Committee</b>	<b>Large Exposure Committee</b>

**1. Board Sub-Committee**

This Committee comprises three members: the Chair of the Board, one independent non-executive director and the chief executive officer.

The Committee meets as and when required to take decisions as per its specific mandate conferred by the Board, as required in the periods between the Board meetings.

The Committee has all the powers other than the powers provided for under 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.

During the year, three resolutions were approved via round-robin by the members of the Committee. The members either signed the resolutions or provided their email approval/consent to the requests.

**2. Audit Committee**

The Audit Committee comprises three non-executive directors as members, out of which two are independent non-executive directors. The non-independent non-executive Chair is also an independent non-executive director on the parent company's board. She is also the chairperson of the parent Company's audit committee. The chief executive officer, the chief operating officer, the head of finance, the head of treasury, the head of legal, the head of compliance, the head of risk, the head of lending, the Group head of internal audit, the Group compliance officer and the external auditors are permanent invitees to the Audit Committee meeting.

The Board has considered the independence of all three members of the Audit Committee and their exercise of independent thought and judgement and has concluded that they perform their function in an independent and robust manner.

The Board, through the Audit Committee, is responsible for establishing formal and transparent arrangements for maintaining a relationship with external and internal auditors, ensuring timely and accurate disclosure to the board of any information of material importance or any issue which requires board attention and/or consideration.

This Committee examines and reviews all the findings of external and internal audits conducted by the duly appointed external auditors and the Group internal auditors respectively. The Committee ensures that all the findings raised by the internal and external auditors are duly attended to within a reasonable period of time.

The Bank's internal audit function is outsourced to the centralised Investec Group's internal audit which performs this function for the Investec Group and for all its subsidiaries.

The Committee also reviews and oversees that all the findings raised by the regulators in their respective management letters are duly attended to within the agreed time frames.

The responsibilities of the Audit Committee include 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 the Board and the shareholder 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, its partners and its practices for quality control.
- (iv) Assess whether the accounting practices of the Bank are appropriate and within the bounds of acceptable practice; ensure that there is an 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.
- (v) 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:
  - Key audit matters (KAMs)
  - Key areas of risk of misstatement in the financial statements, including critical accounting policies

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- Significant accounting judgements and estimates and appropriateness of financial statement disclosures
  - Changes in audit scope
  - Whether the external auditors consider the Judgements and estimates used as aggressive or conservative within an acceptable range
  - Significant or unusual transactions
  - internal control deficiencies identified during the course of the audit.
- (vii) Further responsibilities of the Audit Committee include:
- Review of the audited financial statements for adequacy before their approval by the board
  - Assessment of whether the institution has implemented adequate internal control and financial disclosure procedures
  - 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
  - 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
  - Ensuring that management is taking appropriate corrective action in response to deficiencies identified by the auditors, including internal control weaknesses and any instances of non-compliance with laws.

The Committee met six times during the financial year.

**Audit Committee report**

The IBM Audit Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2022. The Committee continues to ensure that it exercises independent oversight and scrutiny of audit matters of the Bank and its subsidiary.

The Committee reports to the Board as well as to the Investec Bank Limited Audit Committee. The main objectives of the Committee are to have oversight of and to give assurance to the Board on financial reporting, internal controls, financial management systems, compliance, conduct and the control environment in respect of the Bank and its subsidiary.

Over the following pages, we will share with you key information about the role and areas of focus of the Committee. In addition to outlining the Committee's structure, we have included some insight into how decisions are made and where judgement has been applied to the significant issues addressed by the Committee during the financial year.

The Committee complied with all the legal and regulatory requirements as needed under the Mauritian legislation and fulfilled its duties and responsibilities during the last financial year in accordance with its terms of reference, the Companies Act 2001, the Bank of Mauritius Guideline on Corporate Governance, the Code, the King IV Report on Governance for South Africa 2016 (King IV) and the JSE Listings Requirements, where applicable.

**Roles and responsibilities**

The Committee is an essential part of the Bank's governance framework to which the Board has delegated the following key functions:

- Overseeing the Bank's financial reporting process and risks, ensuring the integrity thereof and satisfying itself that any significant judgements made by management are sound
- Reviewing the Bank's internal controls and assurance processes
- Managing and overseeing the performance, conduct, quality and effectiveness of the Bank's internal audit functions
- Oversight of the Bank's compliance
- Appointing, managing and overseeing the relationship with the Bank's external auditors, including the quality control, effectiveness and independence of the external audit function
- Approving the fees to be paid to external auditors
- Managing the level and nature of non-audit services, if any, provided by the external auditors
- Dealing with concerns, if any, from outside the Bank regarding accounting, reporting and financial control.

At each Committee meeting, the chief executive officer, the chief operating officer, the head of finance, the head of risk, the head of compliance and other management members provide an in-depth assessment of their current risk-related concerns and the processes and procedures implemented by management to control and/or mitigate these risks.

Following each Committee meeting, the Chair provides feedback to the Bank's Board of Directors highlighting the matters which the Committee believes the Board should be made aware of.

A written report of the Chair of the Committee on the audit matters relating to the Bank is also provided to the parent Company Audit Committee following each Audit Committee meeting.

The Chair of the Committee has regular meetings with the head of internal audit as well as the external audit partners and managers without management being present to gain an independent understanding of the Bank's operations and the risks and challenges it faces.

The Chair of the Committee also has regular meetings with the head of finance, to discuss issues relating to the finance function of the Bank and to ensure the adequacy of the expertise, resources and experience of the Company's finance function. The Chair also has regular meetings with the other members of the management team.

The Committee is satisfied that it carried out its functions as required and in an appropriate and satisfactory manner.

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**Areas covered by the Audit Committee**

The significant matters addressed by the Committee during the financial year ended 31 March 2022, and in evaluating the annual report and financial statements, are described on the following pages.

**Key audit matters**

Key audit matters are those matters in the view of the Committee that:

- Required significant focus from the Committee
- Were considered to be significant or material in nature requiring exercise of judgement
- Matters which were otherwise considered to be subjective from an accounting or auditing perspective.

The following audit focus areas were deliberated by the Committee during the year:

Audit focus areas	What the Audit Committee did
<p><b>Impact of COVID-19 and the Russia-Ukraine conflict</b></p> <p>The COVID-19 pandemic and the Russia-Ukraine conflict impacted the global economy and businesses across all industries.</p>	<ul style="list-style-type: none"> <li>• Considered the accounting and operational impact of these events on the economy and business, mitigating steps and the resulting impact on the applicability of the macro-economic scenarios and the judgements and estimates used by management to prepare the annual financial statements. The areas most impacted include:                             <ul style="list-style-type: none"> <li>– Going concern, including liquidity</li> <li>– Expected Credit Loss (ECL) assessment (IFRS 9 macro-economic scenarios, probabilities and staging and impact on specific sectors such as aviation, tourism and hospitality and property)</li> <li>– Impact on quality of earnings</li> <li>– Impact of working from home on the overall control environment and operational risk</li> <li>– The financial control environment</li> </ul> </li> <li>• Fair value measurement and the resulting IFRS 13 Fair Value Measurement disclosures</li> </ul>
<p><b>Fair value of level 3 instruments and the resulting IFRS 13 Fair Value Measurement disclosures</b></p> <ul style="list-style-type: none"> <li>• For level 3 instruments, there is necessarily a large degree of subjectivity surrounding the inputs to the valuations. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental.</li> </ul>	<ul style="list-style-type: none"> <li>• Received presentation on investments including the analysis of the key judgements and assumptions applied and approved the valuation adjustments proposed by management for the year ended 31 March 2022</li> <li>• Challenged and debated the subjective exposure and assumptions including:                             <ul style="list-style-type: none"> <li>– The valuation principles applied with the valuation of level 3 investments (unlisted and private equity investments) and fair value loans.</li> <li>– Fair value of exposures in industries highly affected by COVID-19</li> <li>– The appropriateness of the IFRS 13 disclosures on fair value</li> </ul> </li> </ul>
<p><b>Going concern</b></p> <ul style="list-style-type: none"> <li>• The directors are required to confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future</li> </ul>	<ul style="list-style-type: none"> <li>• Considered reports on the Bank's budgets and forecasts, profitability, capital, liquidity and solvency, scenario stress testing and the impact of legal proceedings, if any</li> <li>• Considered the results of various stress testing analyses based on different economic scenarios, and the possible impact of COVID-19 and the Russia-Ukraine conflict on the ability of the Bank to continue as a going concern</li> </ul>

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Audit focus areas	What the Audit Committee did
<p><b>Expected credit loss (ECL) assessment for the Bank</b></p> <ul style="list-style-type: none"> <li>The appropriateness of the allowance for expected credit losses is highly subjective and judgemental. The impact of COVID-19 and the Russia-Ukraine conflict has resulted in additional key judgments and assumptions being made during the current year.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the appropriateness of the forward-looking macro-economic scenarios used in the measurement of ECL. The Committee further evaluated the appropriateness of the management ECL overlay to capture the impact of the national lockdown and the closure of borders on the asset finance and property exposures</li> <li>Reviewed and monitored the Bank's calculation of expected credit losses, and staging of exposures</li> <li>Challenged the level of ECL and the assumptions used to calculate the ECL provisions held by the Bank</li> <li>Assessed ECLs experienced against forecast and considered whether ECLs were appropriate. Particular focus was given to COVID-19 restructured positions (payment holidays) and sectors highly impacted by COVID-19 and exposures which are specifically affected by the negative current macro-economic environment</li> <li>Evaluated the IFRS 9 disclosures for relevance and compliance with IFRS.</li> </ul>
<p><b>External audit, audit quality and audit independence</b></p>	<ul style="list-style-type: none"> <li>Managed the relationship with the external auditors</li> <li>Assessed the independence and objectivity of the external auditors</li> <li>Met with key members of KPMG Mauritius prior to Audit Committee meetings, to discuss the audit plan, key areas of focus, findings, scope and conclusions</li> <li>Considered and discussed auditor accreditation, independence, firm quality control, results of internal and external inspections and audit quality</li> <li>Discussed external audit feedback on the accounting estimates and judgements</li> <li>The Committee approved the external audit plan, audit fee and the main areas of focus</li> <li>Had a closed session with the auditors without management being present</li> <li>The Audit Committee confirms its satisfaction with the performance and quality of external audit, the external auditors and the lead partner.</li> </ul>
<p><b>Regulatory compliance and reporting</b></p>	<ul style="list-style-type: none"> <li>Received regular reports from the regulatory compliance function and reviewed the adequacy of the scope and the effectiveness of the regulatory compliance processes applied. This included the evaluation of the quality of regulatory reporting, the scope and the integrity of the regulatory compliance process, the adequacy of internal regulatory compliance systems and processes, and the consideration and remediation of any findings by the external auditors and regulators.</li> </ul>
<p><b>Post balance sheet disclosures</b></p>	<ul style="list-style-type: none"> <li>Considered the need for post balance sheet disclosures with specific consideration of the impact of COVID-19 and the Russia-Ukraine conflict. There were no post balance sheet events that needed to be disclosed.</li> </ul>
<p><b>Fair, balanced and understandable reporting</b></p> <ul style="list-style-type: none"> <li>The Bank is required to ensure that its external reporting is fair, balanced and understandable, and to consider whether it provides the information necessary for stakeholders to assess the Group's position, performance, business model and strategy</li> <li>Reviewed the outcomes of the combined assurance coverage model as discussed below.</li> </ul>	<ul style="list-style-type: none"> <li>Met with management to gain assurance that the processes underlying the compilation of the annual financial statements were appropriate</li> <li>Conducted an in-depth, critical review of the annual financial statements and, where necessary, requested amendments to disclosure</li> <li>Assessed disclosure controls and procedures including compliance with IFRS, the JSE Listings Requirements, Pro-Active Monitoring Guidance, King IV, BOM guidelines and the Code</li> <li>Confirmed that management had reported on and evidenced the basis on which representations to the external auditors were made</li> <li>Received a written assessment from internal audit on internal controls</li> <li>Obtained input and assurance from the external auditors</li> <li>The Committee concluded that the processes underlying the preparation of the annual report and the financial statements for the financial year ended 31 March 2022 were appropriate in ensuring that those statements were fair, balanced and understandable</li> <li>The Committee recommended to the board that the 2022 annual report and the financial statements were fair, balanced and understandable.</li> </ul>
<p><b>Combined assurance model</b></p>	<ul style="list-style-type: none"> <li>Satisfied itself with the appropriateness of the design and effectiveness of the combined assurance model applied, which incorporates the various disciplines of risk management and legal and regulatory compliance. Satisfied itself with the levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks</li> </ul>

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**Other matters considered by the Committee**

The Committee considered the following matters during the financial year ended 31 March 2022:

Audit focus areas	What the Audit Committee did
<p><b>Internal controls</b></p> <ul style="list-style-type: none"> <li>The effectiveness of the overall control environment and the status of any material control issues with emphasis on the progress of specific remediation plans</li> </ul>	<ul style="list-style-type: none"> <li>Evaluated reports on the internal control environment from the internal and external auditors</li> <li>Evaluated and tracked the status of the material control issues identified by internal and external audit and tracked the progress of the associated remediation plans against agreed time frames</li> <li>Received regular reports and, based on these reports, evaluated the impact of an evolving risk environment, including operational risk, on the internal control environment</li> <li>Received updates from management and scrutinised action plans following internal audit findings</li> <li>The Committee requested confirmation from management regarding the remediation of any issues identified including the time frames and accountability of remediation.</li> </ul>
<p><b>Finance function</b></p>	<ul style="list-style-type: none"> <li>Discussed and concluded that the head of finance has the appropriate expertise and experience and the finance function has sufficient resources and skills to perform the financial reporting for the Bank</li> </ul>
<p><b>IFRS</b></p>	<ul style="list-style-type: none"> <li>Reviewed the impact of any new standard and the relevant disclosures</li> </ul>
<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>The performance of internal audit and delivery of the internal audit plan, including scope of work performed, the level of resources, the risk assessment methodology and coverage of the internal audit plan.</li> </ul>	<ul style="list-style-type: none"> <li>Scrutinised and reviewed internal audit plans, risk assessment, methodology and staffing, and approved the annual plan. Monitored and followed up internal audit control findings, including IT, and ensured appropriate mitigation and timeous close-out</li> <li>Approved the risk assessment and rotational audit plan</li> <li>Approved the internal audit plans, methodology and deliverables</li> <li>Received regular reports from internal audit on all significant issues identified</li> <li>Monitored audit quality in relation to internal audit</li> <li>Monitored delivery of the agreed audit plans, including assessing internal audit resources</li> <li>Tracked, in parallel, the levels of high and moderate risk findings and monitored related remediation plans</li> <li>Met with the head of internal audit prior to each Audit Committee meeting, without management being present, to discuss the remit of internal audit and any issues arising from the internal audits conducted</li> <li>Had a closed session with internal audit without management being present</li> <li>Confirmed satisfaction with the performance of the internal audit function</li> <li>Received an opinion from internal audit on internal controls and the integrated risk management framework as part of the year-end sign-off process</li> <li>Ensured that internal audit has a robust quality assurance programme to ensure audit quality is maintained at the highest level.</li> </ul>

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### External audit

#### Auditor appointment, independence and objectivity

The Committee has satisfied itself that the external auditors are independent, experienced in the audit of financial institutions and have the necessary resources to undertake such audits.

The Committee considers the reappointment of the external audit firm and its individual partners every year before making a recommendation to the Board and the shareholder. It assesses the independence and audit quality of the external auditors on an ongoing basis.

In terms of Section 39 of the Banking Act 2004, the external audit firm is required to be rotated every five years. KPMG replaced EY as statutory auditors effective from the 2018 financial year. Their current appointment is ending with the 2022 audit. The Committee will request an extension of their appointment in terms of Section 39 5(A)b of the Banking Act.

In terms of the amended JSE Listings Requirements, external audit and audit partner accreditation, which was previously done by the Independent Regulatory Board for Auditors (IRBA), is henceforth the responsibility of the Committee, together with a specific responsibility around audit quality. The JSE will continue to accredit audit firms; however, individual auditors will have to be assessed by the audit Committee before being appointed. This imposes a responsibility on the Committee to assess the suitability of the firm and the individual audit partner for appointment.

The Committee assessed the suitability of the audit firm and its individual audit partners for re-appointment after reviewing the required documentation that the auditor provided to the Committee in order to facilitate a robust assessment of the suitability of the firm and individual audit partner for re-appointment.

#### Working with the external auditor

The Committee meets the external auditor to review the scope of the external audit plan, budgets, the extent of non-audit services rendered and other audit-related matters. The external auditor is invited to attend meetings and has access to the Chair on an ongoing basis. John Chung is the engagement partner from KPMG responsible for the statutory audit.

The Committee also evaluates the effectiveness of the auditors, the audit partners, audit team and the audit approach during their presentation at Committee meetings and at ad hoc meetings held with the auditors throughout the year.

The following matters were covered during these discussions:

- Transparency reports and reviews by the firm covering its client base, client acceptance and continuance processes, and the approach to clients, if any, that did not meet the client continuance criteria
- Any reputational, legal or impending legal issues impacting the firm, including the implications of publicly observable information from regulatory investigations or the media
- The independence processes of the firm, including partner reward and remuneration criteria
- Interrogation of international and local firm audit quality control processes

- Detailed profiles of the partners, managers and technical support staff, including their relevant audit experience and specific Investec experience
- Details in relation to each firm's respective succession plans in order to provide assurance as to the partner rotation, transition and continuity process
- The results of the last firm-wide reviews carried out by the regulatory body
- The results of the latest individual partner quality reviews carried out by the regulator and internal firm-wide quality control reviews carried out in respect of each partner.

#### Non-audit services

The Bank may engage the firm responsible for its audit to provide any non-audit service. This may be done with the prior approval of the Committee which ensures that the non-audit work does not entail any conflict with the audit work. Furthermore, the firm's partner responsible for non-audit work should have no responsibility for the audit of the Bank.

During the year under review, there were no services other than the audit of the Bank provided by the external auditor.

#### Looking ahead

The role of the Committee will remain focused on:

- Ensuring the effective functioning of the Bank's financial systems, processes and controls, monitored by an effective combined assurance model
- Audit quality and independence
- Management's response in respect of future changes to IFRS and other regulations
- The impact of COVID-19 on the economy and the consequent impact on financial systems and reporting, including viability, results of operations and financial position of the Bank
- The impact of the Russia-Ukraine conflict
- Continued exercise of oversight
- Overseeing regulatory compliance and the compliance programme.



**Zarina BM Bassa**

Chair, Audit Committee



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### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NARC) comprises three members who are all non-executive directors including one who is an independent director. The chief executive officer, the chief operating officer and the head of Group HR are invitees to this committee. The NARC reviews the salaries and bonuses of senior employees and senior management based on key performance indicators.

The NARC operates within the following mandate:

- Recommend to the Board candidates for Board positions, including the chair of the Board and chairs of the Board committees
- Recommend criteria for the selection of Board members and criteria for the evaluation of their performance
- Recommend for approval of the Board the remuneration and compensation package for directors, senior managers, and other key personnel, considering the soundness of risk-taking and risk outcomes as well as any relevant information available on industry norms
- Recommend to the Board incentive packages, as necessary, to enhance staff performance, while ensuring that incentives embedded within remuneration structures do not incentivise staff to take excessive risk
- Recommend nominees for Board committees
- 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
- Consider and ensure an appropriate plan is in place for both executive and non-executive succession
- Review succession for key leadership positions.

The committee met once during the financial year.

Three resolutions were approved via round robin by the members of the Committee during the financial year.

### 4. Corporate Governance Committee

The Corporate Governance Committee comprises three members, with the chair being an independent non-executive director. The other two members are non-executive directors, out of which one director is also an independent non-executive director on the parent company's Board.

The role of the Corporate Governance Committee is to ensure that the reporting requirements with regard to corporate governance, whether in this annual report or on an ongoing basis, are in accordance with the principles of the applicable regulatory requirements and the applicable code of corporate governance.

The Corporate Governance Committee carries out the following activities:

- Advises the Board on all aspects of corporate governance and recommend the adoption of best practices as appropriate
- Determines, agrees and develops the Bank's general policy on corporate governance in accordance with the Code of Corporate Governance for Mauritius and the Bank of Mauritius Guideline;
- Approves the corporate governance report to be published in the Bank's annual report
- Ensures 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 financial year.

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**5. Conduct Review Committee**

The Conduct Review Committee comprises three members. The chair is an independent non-executive director. The other two members are the chair of the Board and another independent non-executive director. The Committee approves, monitors and reviews related party transactions and ensures that market-based terms and conditions are applied to all related party transactions.

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
- 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.

The Committee met four times during the financial year.

Two resolutions were also approved via round robin by the members of the Committee.

The Committee did not note any breach of the requirements of the Guideline on Related Party Transactions issued by the Bank of Mauritius.

Following an amendment brought to the Guideline by the Bank of Mauritius on 12 May 2022, the requirement for financial institutions to set up a conduct review committee to review and approve related party transactions has been removed. The roles and responsibilities of the conduct review committee will now be entrusted to the financial institution's Board of Directors.

 Refer to note 39 of the annual report for related party transactions.

**6. Investment Committee**

The investment Committee comprised the chief executive officer who was the chair of the Committee, the chair of the Board and one external non-executive director. The Committee was responsible for the review and management of the Bank's investment portfolio and the approval of any new investment proposals.

The Investment Committee met on an ad hoc basis as circumstances dictate of in order to conduct its affairs with respect to purchase or sale decisions. The Credit Committee reviewed all new investment proposals and made its recommendations to the Investment Committee. The Investment Committee reviewed all new investment proposals and made its determinations known to the Investec Bank Limited Investment Committee. All investment proposals required the sanction of the Investec Bank Limited Investment Committee.

The Committee met twice during the financial year.

Following a resolution adopted by the Board of Directors on 15 March 2022, the Bank decided to dissolve the Investment Committee effective from 1 April 2022. The reason for the dissolution of the Committee is that the investment portfolio is gradually running down and based on the current market conditions and the global environment, new investments are not envisaged and thus no raison d'être for an investment committee.

**7. Risk Management Committee**

The Risk Management Committee comprises three members. The chair of the Committee is an independent non-executive director and the other two members are the chair of the Board and 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
- Report on the risk culture in the Bank.

The Audit Committee has the primary role in providing assurance to the Board that adequate controls are in place to mitigate risks to an appropriate residual level. The Audit Committee relies on the output of the Risk Management Committee to ensure the completeness of the Combined Assurance Model. As there are synergies between the Risk Management Committee and Audit Committee, there is an overlap in membership. The chair of the Risk Management Committee is a member of the Audit Committee. The chair of the Audit Committee is also a regular invitee to the Risk Management Committee.

At each Board meeting, the chair of the Risk Management Committee provides feedback on the key matters discussed at the Committee meetings with a focus on significant risks.

Four Risk Management Committee meetings were held during the financial year.

**8. Large exposure committee**

The main objectives of the Committee are to consider and approve all investments in/or grant of loans or advances or other credit to any single counterparty or to a group of connected counterparties, which exceed 10% of Tier 1 regulatory capital of the previous reporting month, or such other concentration risk threshold as may be specified in the risk tolerance/appetite policy in pursuit of the Bank's strategy.

The Committee met four times during the financial year and also considered and approved eight resolutions via round robin.

## Board and Board Committees attendance

The Board met four times during the financial year.

The chair is responsible for setting the agenda for each meeting in consultation with the chief executive officer and the company secretary. Comprehensive information packs on matters to be considered by the Board are provided to the directors at least a week prior to the meeting.

There were also 27 written resolutions which were considered and adopted via round-robin by the Board of Directors during the financial year.

Details of the attendance at the Board and Board Committee meetings held during the financial 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	Large Exposure Committee
David M Lawrence*	2/2				2/2	1/1	2/2	2/2	2/2
Lourens F Janse van Rensburg**	2/2			1/1	2/2			2/2	2/2
Pierre de Chasteigner du Mée***	4/4	6/6		1/1	4/4		2/2	4/4	4/4
Grant M Parsons	4/4						2/2	4/4	4/4
Zarina Bibi Mahomed Bassa	4/4	6/6		1/1		1/1		4/4^	4/4
Ramdeo (Dev) Erriah	4/4	5/6			4/4	1/1		4/4^	

\* Resigned on 1 October 2021

\*\* Appointed on 1 October 2021

\*\*\* Resigned on 1 April 2022

\*\*\*\* All the resolutions taken by the Committee were via emails/round robin

^ as invitee

## Principle 3: Director appointment procedures

### Director appointments as per the constitution of the company

#### Appointment by notice

The directors shall be the persons appointed from time to time as directors by a notice in writing signed by the holders of the majority of the ordinary shares and who have not resigned or been removed or disqualified from office under the constitution of the Bank.

A director shall hold office until his/her resignation, disqualification or removal in accordance with the constitution.

#### Appointment by resolution

A person may be appointed as a director of the Bank by an ordinary resolution passed in a meeting of the shareholder.

A resolution to appoint two or more directors may be voted on one resolution without each appointment being voted individually.

#### Appointment to fill casual vacancy

The Board of Directors of the Bank shall have the power, at any time and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors so that the total number of directors shall not at any time exceed the number fixed in accordance with the constitution.

A director holds office until the following annual meeting and is eligible for re-election. Each director is re-elected by a separate resolution.

#### Nomination and appointment process

- The responsibility of the NARC is to identify suitable candidates based on the requirements of the position and the skills and expertise required, and to assess whether the potential candidates are fit and proper and are not disqualified from being directors;

- The NARC carries out interviews of the potential candidates before short-listing those candidates who best meet the required criteria
- The NARC then proposes the short-listed candidates with brief biographical details to the Board for review and approval
- Once the Board has reviewed and is satisfied with the profile of the candidates, the Board then shall:
  - Either appoint a director to fill a casual vacancy or as an addition to the existing directors until the next annual meeting of the shareholder; or
  - Shall propose the election of the potential candidate(s) by way of an ordinary resolution(s) in a special meeting of the shareholder with notice duly sent to the sole shareholder.
- Reappointment of a director at the end of his/her mandate shall be based on the recommendation of the NARC and subject to approval from the Board of Directors and to election by the shareholder in the annual meeting of shareholder
- A letter of appointment stipulating the terms and conditions of the engagement is remitted to the new directors
- A notice of appointment of a new director is delivered to the Registrar of Companies within 28 days of the appointment. Notices are also given to other relevant authorities
- The new director undergoes an induction and orientation process which enables him/her to integrate into the organisation and make the maximum contribution as quickly as possible.

One new director was appointed during the financial year. Another new director was appointed on 1 April 2022.

CORPORATE GOVERNANCE REPORT  
CONTINUED

Biographies of the directors are outlined below, including their relevant skills and experience, and other principal appointments.

**Lourens F Janse van Rensburg**

Non-Executive Director

**Date of appointment**

1 October 2021

**Age:** 50

**Qualifications:** BCom, BCom (Hons), CA(SA), CFA and HDip Tax Law

**Relevant skills and experience**

Lourens is Head of Investec Corporate and Institutional Banking (ICIB) SA. He is part of a team that focuses on specialised lending, structured products and treasury activities for corporates, intermediaries and institutions. The team builds trusted, long-term relationships and provides holistic, forward-looking views to identify ways to help clients achieve their business goals.

Lourens joined Gensec Bank (now Sanlam Capital Markets) in 1998 until 2001 after completing his articles with Coopers and Lybrand (now PwC). He performed various functions including financial control for the equity derivatives team, risk management for the Interest Rate Derivative desk, and setting up the Investments Product business.

His journey at Investec began when he joined the financial products team in ICIB (formerly capital markets) in 2001, where he worked on interest rate structuring, preference share funding and investment products. Lourens was appointed head of the Financial Products (FP) team in 2010, and in 2012 he assumed responsibility for the Treasury Sales and Structuring area (TSS). TSS structures and sells foreign exchange, interest rate derivatives, commodity and money market products to the corporate, institutional, retail and interbank Investec client base.

**Other principal appointments**

Lourens is a director of AEL Investment Holdings (Pty) Ltd, Investec Life Ltd, Investec Specialist Investments (RF) Ltd, Investec Specialist Investments Fund Managers (Pty) Ltd, Investpref Ltd, KWJ Investments (Pty) Ltd, Sechold Finance Services (Pty) Ltd and Que Dee Trading 122 (Pty) Ltd

**Committees**

Lourens is the Chair of the Board, the Board Sub-Committee, the Nomination and Remuneration Committee and the Large Exposure Committee. He is a member of the Conduct Review Committee, Corporate Governance Committee and Risk Management Committee of the Bank.

**David M Lawrence**

Non-Executive Director

**Date of appointment**

3 October 1997

**Age:** 71

**Qualifications:** BA (Econ) (Hons), MCom

**Relevant skills and experience**

David's early career was spent as an Economist at the Chamber of Mines (South Africa), subsequently working for the office of the Economic Adviser to the Prime Minister. He joined CitiBank (South Africa) in 1977, eventually becoming chair and managing director. In 1987, First National Bank acquired CitiBank's business and it became FirstCorp Merchant Bank where David held the position of managing director. David joined Investec in 1996 as managing director, Corporate and Investment Banking. He brings to the board a valuable combination of knowledge and experience.

**Other principal appointments**

None

**Committees**

David was the Chair of the Board, Board Sub-Committee, Nomination and Remuneration Committee and Large Exposure Committee. David was also a member of the Conduct Review Committee, Corporate Governance Committee, Investment Committee and Risk Management Committee of the Bank.

**Date Resigned**

1 October 2021

**Pierre de Chasteigner du Mée**

Non-Executive Director

**Date of appointment**

4 June 1999

**Age:** 69

**Qualifications:** ACEA, FBIM, FMAAT

**Relevant skills and experience**

Pierre, a stockbroker on the Stock Exchange of Mauritius Ltd and a Sworn Broker and company secretary, is the director and secretary of MUA Stockbroking Ltd (formerly Associated Brokers Ltd). He was finance director of the Constance Group of Companies for 15 years, during which time he also occupied the position of managing director of the Constance Hotels in order to carry out the complete restructure of the group's hospitality business. In January 1993, he was appointed estate general manager within the Constance group, a position which he occupied for 20 years before relocating as Financial Consultant, stockbroker and company director.

**Other principal appointments**

Pierre is a member of the National Pension/National Savings Fund's Investment Committee and vice-president of P.O.L.I.C.Y. Limited, an investment company listed on the Stock Exchange of Mauritius, a director of Investec Wealth & Investment (Mauritius) Limited and of various public and private companies in Mauritius.

**Committees**

Pierre was a member of the Board Sub-Committee, Audit Committee, Nomination and Remuneration Committee, Conduct Review Committee (Chair), Investment Committee, Risk Management Committee (Chair) and Large Exposure Committee of the Bank.

**Date Resigned**

1 April 2022

CORPORATE GOVERNANCE REPORT  
CONTINUED

**Zarina BM Bassa**

Non-Executive Director

**Date of appointment**

21 February 2019

**Age:** 58

**Qualifications:**

BAcc, DipAcc, CA(SA)

**Relevant skills and experience**

Zarina's previous appointments include partner of Ernst & Young, executive director of Absa Bank, head of the Private Bank, chair of the South African Public Accountants' and Auditors' Board and the South African Auditing Standards Board, as well as the Accounting Standards Board, and non-executive director of the Financial Services Board, the South African Institute of Chartered Accountants, and Vodacom South Africa Proprietary Limited, Woolworths Holdings Limited. This background affords significant audit and risk experience in financial leadership, and regulatory reporting skills.

**Other principal appointments**

Zarina is a director of Oceana Group Limited and the JSE Ltd. She serves on various Investec entities including Investec Bank Limited, Investec Limited, Investec plc, Investec Bank plc and Investec Life Limited.

**Committees**

Zarina is the Chair of the Audit Committee and a member of the Nomination and Remuneration Committee, Corporate Governance Committee and Large Exposure Committee of the Bank.

**Ramdeo (Dev) Erriah**

Independent Non-Executive Director

**Date of appointment**

21 February 2019

**Age:** 63

**Qualifications:**

LLB, LLM, TEP, barrister-at-law (Gray's Inn)

**Relevant skills and experience**

Ramdeo (Dev) Erriah, barrister-at-law (Gray's Inn), head of Erriah Chambers, graduated in the UK and holds LLB, LLM, TEP in International Tax Law, Company Law, Law of International Finance and International Trusts Law degrees from the prestigious University of London. He was the first chairman of STEP Mauritius (Society of Trust and Estate Practitioners). He is also a member of the International Bar Association and forms part of Committees N (TAX) and E (Banking). Dev specialises in all aspect of offshore business laws namely mergers and acquisition finance/banking, investment management, lease and transportation finance, private equity and venture capital, structured finance, aircraft finance and leasing; project finance, securities, capital markets practices, regulatory compliance, antitrust and competition, corporate law and corporate governance, setting up of offshore companies, offshore fund and Collective Investment Scheme, international banking and privatisation, International tax and trust structuring, implementation of international transactions, negotiation, drafting of transaction documents and review of all legal documentation inclusive of trusts deeds, corporate constitutive documents, credit facility documents etc, International Arbitration and Cross-Border litigation, International litigation such as international bankruptcy, enforcement of international creditor's claim, money laundering Mauritius and at international level. As regards banking, he has been advising banks locally and internationally for the last 23 years

**Other principal appointments**

Dev is a director of Tropical Ocean Corporate & Secretarial Services Ltd and SavSam Property Holding Ltd.

**Committees**

Dev is a member of the Audit Committee, Corporate Governance Committee (Chair) and Conduct Review Committee. He is also an invitee to the Risk Management Committee of the Bank.

**Grant M Parsons**

Executive Director/Chief Executive Officer

**Date of appointment**

1 January 2021

**Age:** 52

**Qualifications:**

Diploma in Accounting, BCom, CA(SA)

**Relevant skills and experience**

Grant has 27 years' experience in the financial services industry, 23 of which have been in banking. He has been in a client coverage role for 13 of these years, having also spent time in leverage finance, private equity and as the finance director of BoE Life Assurance. Grant joined Investec Bank Limited in November 2013 having worked at Standard Bank for 10 years before that. Prior to joining Investec Bank Mauritius, Grant headed up the corporate coverage team within Investec's Corporate & Institutional Banking ("ICIB") division. He grew up and qualified as a chartered accountant in KwaZulu Natal, South Africa and completed his articles at Deloitte & Touche.

**Other principal appointments**

Grant is a director of Investec Wealth & Investment (Mauritius) Limited, Mauritius Bankers Association Ltd, Dolphin Coast Marina Estate Ltd and La Balise Gym and Spa Ltd.

**Committees**

Grant is a member of the Board Sub-Committee, Investment Committee (Chair), Risk Management Committee and Large Exposure Committee of the Bank.

## CORPORATE GOVERNANCE REPORT CONTINUED

### **Kailash Sharma Ramnauth**

Independent Non-Executive Director

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**Date of appointment**

1 April 2022

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**Age:** 59

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**Qualifications:** FCMA, MBA

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**Relevant skills and experience**

Kailash is a seasoned financial sector and advisory-focused professional with expertise in corporate finance, governance and economic policy dialogue for public/private sector partnerships. Kailash has more than 20 years of hands-on experience in transactional investments and business advisory activities. He is also a private equity practitioner, with involvement in corporate fund raisings and both project and structured finance transactions.

**Other principal appointments**

Kailash is an independent non-executive director and audit committee chairman of Scott and Co Ltd and its subsidiary, Scott Health Ltd. Kailash is an independent non-executive director of Arisaig India Fund Limited, an independent non-executive director and audit committee chairman of Ekada Capital Ltd and an independent chairman of the board of Friday Private Equity Fund I. Kailash is also a director of GreenEQ Ltd and GreenDet Co Ltd.

**Committees**

Kailash is the Chair of the Risk Management Committee and Conduct Review Committee. He is also a member of the Audit Committee, Nomination and Remuneration Committee, Board Sub-Committee and the Large Exposure Committee of the Bank.

### **Prithiviraj Jeewooth**

Company Secretary

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Prithiviraj Jeewooth, FCCA is the Company Secretary of Investec Bank (Mauritius) Limited. Prithiviraj is a professional qualified accountant and has experience gained over a number of years. The company secretary is evaluated by Board members during the annual Board evaluation process.

The company secretary is responsible for the flow of information to the Board and its committees and for ensuring compliance with Board procedures. All directors have access to the advice and services of the company secretary, whose appointment and removal are a Board matter.

The Board has considered and is satisfied that the company secretary is competent, and has the relevant qualifications and experience and maintains an arm's-length relationship with the Board. In evaluating these qualities, the Board has considered the prescribed role and duties pursuant to the requirements codified in the Companies Act and the listings and governance requirements as applicable.

## CORPORATE GOVERNANCE REPORT CONTINUED

### Principle 4: Directors' duties, remuneration and performance

#### Legal duties

The directors of the Bank are aware of their legal duties and are required to act in good faith and in the best interests of the Company. They must accordingly:

- Exercise their powers in accordance with the Companies Act and the Company's constitution.
- Obtain the authorisation of a meeting of the shareholder before doing any act for which such authorisation is required.
- Exercise their powers honestly, in good faith and in the best interests of the Company.
- Exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Account to the Company for any monetary gain obtained in their capacity as directors.
- Unless authorised by the Company, not make use of or disclose any confidential information acquired by way of their position as directors of the Company, or compete with the Company.
- Disclose to the Board of the Company any transactions involving self-interest unless the transactions are in the ordinary course of business and on usual terms and conditions.
- Not use any assets of the Company for any illegal purpose.
- Transfer immediately to the company all cash or assets acquired on its behalf.
- Attend meetings of the directors of the Company.
- Keep proper accounting records and make such records available for inspection.

A director shall, after becoming aware of the fact that he/she is interested in a transaction with the Company, disclose to the Board of the Company the nature and monetary value of that interest, or where the monetary value of the director's interest cannot be quantified, the nature and extent of that interest, unless the transaction is in the ordinary course of business and on usual terms and conditions and be recused from the Company's consideration and decision on whether to approve the transaction.

#### 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' evaluation

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 two years. The performance evaluation process takes place informally, through personal observations and discussions, and/or in the form of evaluation questionnaires. The results are considered and discussed by the Board. The Chair 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 Chair and the Board as a whole.

Performance evaluations 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 financial, statutory, 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.

Individual training and development needs are discussed with each Board member and any requests for training are communicated to the company secretary for implementation. Directors are encouraged to request for specific training that is of interest in fulfilment of their duties as directors.

During the period under review, thirteen training sessions for directors were organised.

#### Directors' interest and dealings in shares

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

#### Directors' emoluments

The executive and non-executive directors received emoluments amounting to US\$456,014 for the year under review (2021: US\$ 2,180,735\* and 2020: US\$919,657).

\*includes retirement benefits paid to one retired director

The remuneration of directors has not been disclosed on an individual basis due to commercial sensitivity. The parent company, being the sole shareholder, has the detailed remuneration information and has consented to the disclosure on an aggregated basis.

## CORPORATE GOVERNANCE REPORT CONTINUED

### Directors' service contracts and terms of employment

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

As the chief executive officer is an expatriate, his employment with the Bank is subject to both Bank of Mauritius and Economic Development Board approvals.

The chief executive officer is entitled to receive a basic salary and is also eligible for an annual bonus and participation in the Group share incentive scheme, the amount of which is determined at the discretion of the NARC.

The non-executive directors do not have service contracts, but letters of appointment confirming the terms and conditions of their service. The non-executive directors have not received any remuneration in the form of share options or bonuses associated with the Bank's performance. 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 arranges for the appropriate insurance cover in respect of any legal action that could be initiated against its directors and officers.

### Related party transactions policy



Refer to the section on related party transactions, policies and practices on page 20 and note 39 of the annual report.

### Conflicts of interest

Directors must, as far as possible, avoid conflicts and where a conflict or potential conflict arises, the same must be disclosed and all procedures for dealing with such cases must be strictly adhered to. Directors who are conflicted regarding a particular issue should not participate in the related discussions and decision-making.

A conflict of interest may occur when:

- A director's personal interest is adverse to or may seem to be adverse to the interests of the Company;
- A director, or a member of his or her immediate family, receives improper personal benefits as a result of his/her position in the Company.

Some of the common conflicts directors should avoid are listed below:

- Personal benefits received from a person/Company seeking to do business with or to retain the services of the Company.
- Gifts which are not customary in normal business relationships should not be accepted nor given to any person/company seeking to do business with or to retain the services of the Company.
- Engaging in any outside business, professional or other activities that would directly or indirectly adversely affect the Company.

The Bank has implemented a conflicts of interest policy to adequately manage and mitigate conflicts of interest. A copy of the policy is published on the Bank's website.

### 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.

### Executive management

The Board has delegated the day-to-day running of the business and affairs of the Bank to its executive management.

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:

#### Grant M Parsons – Chief Executive Officer

Refer to Page 72 for his bibliography.

#### 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.

### 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.

### Information, information technology and information security policies

The Bank strives to:

- Implement strategic roadmaps that leverage new technologies to enhance capacity, scalability, security, resilience and robustness and reduce reliance on legacy IT systems
- Future-proof IT development and implementation in support of innovation and delivery at pace
- Drive automation to reduce human error whilst enhancing efficiency
- Continue to align IT architecture and standards across the Bank, to reduce technical complexity and leverage common functions and services
- Enhance proactive monitoring of the IT environment for continual oversight of effectiveness and performance
- Maintain and test IT resilience capabilities to withstand failure and minimise service disruption.



## CORPORATE GOVERNANCE REPORT CONTINUED

The Group-wide vision of Investec is to continuously deliver efficient and effective information technology that enables business and excellent client service, within acceptable risk tolerance.

Investec continues to invest in its digital and technology platforms in order to remain competitive and to deliver on its high-touch, high-tech value proposition to both corporate and private clients.

The Bank, through its Board and its committees, ensures that all IT risks are identified in a timely manner and addressed through risk management, monitoring and assurance processes. The Board oversees technology governance within the Bank and ensures that information technology leads to business benefits and creates value.

In this respect the Bank has adopted a number of Investec Group information technology policies. These policies are reviewed on an annual basis and are approved by the Board. These policies are made available to all employees for consultation and compliance through the Bank's intranet.

### Principle 5: Risk governance and internal control

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks that the Bank is willing to take in achieving its strategic objectives. The Board, through its various committees, has developed and implemented appropriate frameworks and effective processes for the sound management of risks.

#### Risk management

Managing risk remains integral to generating sustainable shareholder and stakeholder value.

→ Refer to pages 16 to 59 of section 2 of the annual report for an overview of the key risks and controls.

Furthermore, the Board is of the opinion that the Bank's risk management processes and systems of internal control are robust and effective.

#### Internal controls

Internal control is the process designed and implemented by the management of the Bank and approved by the Board to ensure the following:

- The effectiveness and efficiency of its operations
- That instructions and directional guidelines fixed by management are adhered to
- Applicable laws and regulations are complied with
- Appropriate controls are in place to safeguard its assets
- Financial information is complete and reliable.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. The Investec Group Board Risk and Capital Committee and the IBM Audit Committee and the Risk Management 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 prevent, detect and 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 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, compliance and external audit.

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

#### Compliance

Compliance risk is the risk that the Bank fails to comply with all significant statutes, regulations, supervisory requirements and industry codes of conduct which apply to the Bank's business.

The Bank seeks to adhere to 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 Investec 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.

## CORPORATE GOVERNANCE REPORT CONTINUED

### Whistle-blowing policy

One of Investec's values requires employees to "conduct all internal and external dealings with integrity, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust". Integrity is critical to our reputation and sustainability.

The Bank has adopted Investec's Group whistle-blowing policy which forms part of its Financial Crime policy. The purpose of the policy is to encourage employees to raise concerns about workplace malpractice without fear of victimisation or reprisal.

The policy sets out clear procedures and guidance for employees to follow with regard to whistle-blowing.

### Principle 6: Reporting with integrity

The Board is responsible for the preparation of annual financial statements that fairly present the state of affairs of the Bank and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Companies Act, the Banking Act and the Financial Reporting Act. The Board is also responsible for selecting appropriate accounting policies based on reasonable and prudent judgements.

### Our culture, values and philosophy

→ Refer to page 4 to 5 of the annual report for our culture, values and philosophy.

Investec Bank (Mauritius) Limited is a wholly-owned subsidiary of Investec Bank Limited, which is wholly-owned by Investec Limited, a listed company on the Johannesburg Stock Exchange.

### Corporate social responsibility

→ Please refer to the sustainability report on page 79.

### Dividend policy

Dividend payments are subject to approval from the Bank of Mauritius after having satisfied the solvency test required under section 61(2) of the Companies Act 2001 of Mauritius.

No dividend was paid during the financial years ended 31 March 2022 and 31 March 2021; (2020: US\$13.4 million).

### Donations

Any donations provided by the Bank are made as part of the Bank's corporate social and business responsibility.

→ Please refer to the sustainability report on page 79 of the annual report for more details on donations.

No political donations were made.

No donations were made to any related parties.

### 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. The Board also considers reports on the Bank's budgets and forecasts, profitability, capital, liquidity and the impact of legal proceedings, if any, in assessing the going concern concept.

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.

### Occupational health and safety (OHS)

The Board of Directors acknowledges its statutory and moral responsibility to employees and the public to comply with occupational health and safety standards. The Board is responsible for ensuring the adequacy and effectiveness of the application of the overall health, safety and environmental policies of the Bank. The Bank strives to make available and maintain a safe working environment that is free from hazards and risk of injury to employees. The Bank complies with the Occupational Safety and Health Act 2005 updated as at 2013, and other health and safety related legislations.

The Health and Safety Working Committee (HSWC) consists of representatives from operational risk, CCO and the designated OHS officer. All OHS related matters are discussed at operational meetings.

An incident reporting process is put in place by the Bank as recommended by the Occupational Safety and Health Act 2005.

No major incident was reported during the reporting period.

### Annual report

The annual report is published in full on the Bank's website and copies of the annual report are also available on request.

→ A comprehensive report on risk management is presented under section 2 – management discussion and analysis, and is set on pages 16 to 59 of the annual report. The financial statements are set out on pages 92 to 181 in section 3 of the annual report.

### Principle 7: Audit

#### Directors' responsibilities

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, the Banking Act and the Financial Reporting Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

#### External audit

In terms of Section 39 of the Banking Act 2004, the external audit firm is required to be rotated every five years.

KPMG replaced EY as statutory auditors effective from the 2018 financial year. Their current appointment is ending with the 2022 audit. An extension of their appointment will be requested in accordance with Section 39(5A)(b) of the Banking Act.

## CORPORATE GOVERNANCE REPORT CONTINUED

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-related matters.

The external auditors are invited to attend Audit Committee meetings and have access to the chair of the Audit Committee.

### Internal audit (IA)

Internal audit is part of a Group-wide function with a dedicated head for the Bank's internal audit. The function is tasked with providing the Board with an independent and objective opinion on 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

The dedicated head of internal audit reports at each Audit Committee meeting and has a direct reporting line to the chair of the Audit Committee. He/she operates independently of executive management, but has access to the chief executive officer.

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.

### Regulation and supervision

The Bank is subject to regulation by the 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.

## Principle 8: Relations with shareholder and other key stakeholders

### Shareholding structure

Investec Bank (Mauritius) Limited is a wholly-owned subsidiary of Investec Bank Limited, which is 100% owned by Investec Limited, a company listed on the Johannesburg Stock Exchange (JSE).

### Communication and stakeholder engagement

Building trust and credibility among stakeholders is vital for a successful business.

The Board recognises that effective communication is integral in building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to the primary stakeholders. The purpose is to help these stakeholders make meaningful assessments and informed investment decisions.

### 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.

### Statement of compliance

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

### The Code of Corporate Governance

We, the directors of Investec Bank (Mauritius) Limited, hereby confirm that to the best of our knowledge the Bank has complied with all of its obligations and requirements under the National Code of Corporate Governance of Mauritius.



### Lourens F Janse van Rensburg

Chair, Board of Directors



### Ramdeo (Dev) Erriah

Chair, Corporate Governance Committee

23 June 2022

## SUSTAINABILITY

Investec Bank (Mauritius) Limited (IBM) known as “the Bank” believes in making a positive contribution to the society and the environment in which it operates. Our corporate social investment (CSI) strategy is to focus on projects and initiatives in the following areas:

- Education
- Environment
- Sports development.
- Ad hoc donations

Corporate social responsibility (CSR) was legislated by the government of Mauritius in July 2009. In terms of the legislation, all Mauritian companies need to allocate 2% of their Segment A chargeable income to CSR-approved NGOs or projects. The Bank will remit 75% of its CSR funds to the Mauritius Revenue Authority (MRA), in accordance with the Income Tax Act. Segment B profit pertaining to offshore income derived by Banks is, however, exempt.

Notwithstanding this, the Bank has chosen to contribute an additional 0.25% of the average previous three years Segment B chargeable income to corporate social investment. In line with the government’s focus on poverty alleviation, the Bank’s CSI projects are directed at communities or beneficiaries that are financially disadvantaged. Its approach is to ensure long-term sustainability. This means making multi-faceted interventions in selected communities and may include building operational skills and organisational capacity.

The Bank’s criteria for assessing projects are:

- Ability to make a meaningful difference
- Capacity to deliver sustained benefits
- Measurability
- Potential to engage co-sponsors to increase leverage and provide an integrated solution
- Opportunity for staff involvement.

Our CSI projects are directed at communities or beneficiaries that are financially disadvantaged, and we aim to provide long-term sustainability where possible.

Investec Bank Mauritius believes that education is key to empower disadvantaged communities, enabling individuals to make a better life for themselves. Our key project within the education sector in 2021 has been to offer a three-years Investec Bursary Program in collaboration with Curtin Mauritius University to a well-deserving candidate in the field of Banking and Finance. The end of 2021 was the candidate’s last semester at university.

In the environment sector IBM supports Ecole Pere Henri Souchon and Animaterra in their Vegetable Farming Project which teaches pupils basic crop cultivation skills in a sustainable manner using the principles of biological farming. The vocational school caters for pupils who are unable to continue in the mainstream governmental education system.

This project is part of the school curriculum and provides pupils with skills which assist them in finding employment in the agricultural/horticultural sector. During the year, two vegetable gardens have been planted and new irrigation systems installed. The vegetables were sold to the local communities.

Our support in the sports development sector includes the Tranquebar Black Rangers Volleyball Club which IBM has been sponsoring for the past 12 years. Investec has also sponsored the Tranquebar Dalton Football Club for the past seven years. The team has reached the Super League Regional of the capital of Mauritius, Port Louis. Lastly, IBM has funded the Tranquebar Boxing Club for the past seven years, providing them with adequate training facilities. The team competes at national and international level.

In terms of philanthropic donations, Investec staff donated to the underprivileged MUR 93 000 pertaining to the damages done to their homes by Cyclone Batsirai in Mauritius. IBM has also contributed the same amount which made a total contribution of MUR 186 000.

### Environmental footprint

In terms of the Bank’s environmental footprint, it measures its use of energy, paper and water. The Bank continues to work towards reducing its overall energy and resource usage. Investec is environmentally friendly with a no plastic approach.

Going forward, the Bank will implement a go-green strategy by recycling its waste.

## SHAREHOLDER DIARY

Financial year:	31 March
Unaudited quarterly report:	Within 45 days from the quarters ending June, September and December
Audited financial statements:	Within three months from 31 March 2022
Annual meeting of shareholders:	July 2022

The shareholder will be provided with notice of meeting and proxy form.

KING IV

The Board is of the opinion that, based on the practices disclosed throughout this report which were in operation throughout the year under review, the Bank has applied the King IV principles laid out below.

Principle	Explanation and focus areas	Annual report reference
<b>Leadership, Ethics and Corporate Citizen</b>		
<b>Principle 1 – The governing body should lead ethically and effectively</b>	<p>The Board is the governing body of the Bank and committed to good corporate governance principles as set out in King IV, the JSE Listings Requirements, the Companies Act 2001, the Banking Act 2004 and the National Code on Corporate Governance of Mauritius (the Code). Investec's values of commitment, integrity, responsibility and innovation guide the behaviour of the Bank and the fulfilment of its daily responsibilities and duties. The chair oversees this process on an ongoing basis.</p> <p>The Board members possess the necessary skills and competence and are collectively and individually accountable for their ethical and effective leadership. They are required to conduct themselves in accordance with their legal duties as company directors under the Companies Acts.</p> <p>The Board charter which is reviewed and approved by the Board annually, sets out the objectives, roles and responsibilities and composition of the Board of Directors of the Bank.</p>	<p>Corporate Governance report pages 60 to 78.</p> <p>A copy of the board charter is posted on the Bank's website.</p>
<b>Principle 2 – The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture</b>	<p>The Board sets the tone from the top in the way it conducts itself and oversees the governance framework and structure.</p> <p>The Board exercises ongoing oversight over the setting and of reporting on ethical values, principles of conducting ethical business practice, and human and environmental rights consideration.</p> <p>Investec's code of ethics and business conduct guides the ethical behaviour of all Investec employees and directors.</p>	<p>Corporate Governance report pages 60 to 78.</p> <p>The code of ethics is published on the Investec website, and incorporated by reference in employee contracts, employee induction and training programmes.</p>
<b>Principle 3 – The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen</b>	<p>The Corporate Social Investment Committee has been tasked with the responsibility for monitoring the overall responsible corporate citizenship performance of the Bank under the guidance and supervision of the Board.</p> <p>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 the operations and activities of the Bank affect its status as a responsible corporate citizen and ensures that the Bank is not only a responsible corporate citizen but is also seen as a responsible corporate citizen.</p>	<p>Sustainability report on page 79.</p>

KING IV  
CONTINUED

Principle	Explanation and focus areas	Annual report reference
<b>Strategy, Performance and Reporting</b>		
<b>Principle 4 – The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process</b>	<p>The Board delegates to management through the management committee, the detailed formulation and implementation of the Board's approved strategy and the realisation of the expected returns.</p> <p>Every year, the Bank's management presents its strategy to the Board and Investec Group whereby the Board and Investec Group management in turn challenge and interrogate before reaching agreement and approval.</p> <p>The Board provides ongoing oversight and monitoring with the support of its committees to ensure that management implements and executes the strategy. A report on performance against strategic objective is included in the Board pack for review and discussion at each Board meeting. Performance against strategic objectives is also monitored constantly by management.</p> <p>The directors are satisfied that the Bank has adequate resources to continue in business for the foreseeable future and that it is adequately capitalised and is supported by a strong liquidity position.</p>	More details on the liquidity risk management and capital management are provided in section 2 of the annual report.
<b>Principle 5 – The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects</b>	<p>The Board ensures that there are necessary processes and controls put in place to verify and safeguard the integrity of the annual report and any other disclosures. The Board also ensures that complete, timely, relevant, accurate and accessible risk disclosures are made to the stakeholders. The Board monitors communication with all stakeholders and disclosures made to ensure transparent and effective communication.</p> <p>The Board, assisted by the Audit Committee, ensures that the annual report taken as a whole is fair, balanced, and comprehensive and provides the information necessary for the shareholder and the other key stakeholders to assess the Bank's position, performance and outlook.</p>	The Bank publishes its full annual report on its website and printed copies are also available on request.
<b>Governing Structures and Delegation</b>		
<b>Principle 6 – The governing body should serve as the focal point and custodian of corporate governance in the organisation</b>	<p>The Board-approved charter, the constitution and the governance framework detail the governance responsibilities, role, matters specifically reserved for the Board, delegation to the CEO, membership requirements and procedural conduct at Board meetings, amongst others.</p> <p>Through its committees, the Board oversees and ensures the implementation of good governance practices throughout the Bank. The Board and the committees met regularly during the reporting period and the Board is satisfied that it fulfilled its primary role in accordance with its charter, constitution and governance framework.</p>	<p>Corporate Governance report pages 60 to 78.</p> <p>Details on the number of meetings and attendance at the Board and Board committee meetings held during the financial year are shown on page 70 of the annual report.</p> <p>The governance framework is published on the website.</p>
<b>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</b>	<p>The Board comprises five members: the Bank's chief executive officer, two independent non-executive directors and two non-executive directors. Out of the two non-executive directors, one director is also a member of the parent company's Board. Three directors are residents of Mauritius and the other two directors reside in South Africa. The Board is made up of 20% of female directors.</p> <p>The Board is of the opinion, given the size of the business, that there is an appropriate balance of skills, experience and knowledge of the organisation to enable the directors to discharge their respective duties and responsibilities objectively and effectively.</p> <p>The chief executive officer is a member of the Board. 40 % of the members are independent non-executive directors and 40% are non-independent non-executive directors.</p> <p>Directors are required to disclose any actual or potential conflict for consideration.</p> <p>The Nomination and Remuneration Committee makes recommendations to the Board in discharging the process of nominating, electing and appointing members of the Board and succession planning in respect of the Board, its committees and senior management.</p>	<p>Corporate Governance report pages 60 to 78.</p> <p>Details on the nomination and appointment process of directors and the Board-approved mandate of the Nomination and Remuneration Committee are provided on page 70 of the annual report.</p> <p>Brief biography of each director is also published on the website.</p>

KING IV  
CONTINUED

Principle	Explanation and focus areas	Annual report reference
<b>Governing Structures and Delegation continued</b>		
<b>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</b>	The Board has retained specific matters for decision-making, as per the Bank's charter, constitution and governance framework. To achieve its objectives, the Board, in terms of defined terms of reference, has delegated certain of its duties and functions to Board committees, Group forums and the CEO.	Details on the structure of the Board and its subcommittees are provided on pages 60 to 69 of the Corporate Governance report.
<b>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 improvement in its performance and effectiveness</b>	<p>The Board continues to be committed to regularly evaluating its own effectiveness and that of its committees. The Board undertakes an evaluation of its performance every year and that of its committees and directors, every two years.</p> <p>The Board considers the competence, qualification and experience of the company secretary annually and is satisfied that he is competent and has the appropriate qualifications and experience to serve as company secretary. The company secretary has a direct channel of communication with the Board chair while maintaining an arm's-length relationship with the other directors as far as it is reasonably possible.</p>	Corporate Governance report page 74.
<b>Principle 10 – The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities</b>	<p>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 for the board, as per the 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.</p> <p>The Board ensures that key management functions are led by competent and appropriately authorised individuals and are adequately resourced.</p> <p>The CEO is a regular invitee at the Nomination and Remuneration Committee. Any senior officer positions are discussed with the chair and at the Nomination and Remuneration Committee meetings.</p>	
<b>Governance Functional Areas</b>		
<b>Principle 11 – The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</b>	<p>The Board is cognisant of the importance of risk management as it is linked to the strategy, performance and sustainability of the Bank. Risk management is embedded into day-to-day operations and culture.</p> <p>The Board ensures that all decisions of the Board on risk management policies and procedures are implemented and monitored.</p> <p>The Risk Management Committee advises and assists the Board in overseeing risk governance, including how risk should be approached and addressed.</p> <p>Independent risk management, compliance and financial control functions, supplemented by internal audit which reports independently to the Audit Committee, also ensures the management of risk.</p>	Details on the key risks and how they are managed and/or mitigated are provided under the risk management section of the annual report.



KING IV  
CONTINUED

Principle	Explanation and focus areas	Annual report reference
<b>Governance Functional Areas</b>		
<b>Principle 12 – The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives</b>	<p>The Board is aware of the importance of technology and information in the achievement of the Bank's strategy. The Board has delegated the responsibility to management and it exercises oversight and monitors progress. The Board ensures that the opportunities derived from the use of the latest technology and information are maximised.</p> <p>The Bank has adopted a set of Investec Group information, information technology and information security policies. These policies are reviewed on an annual basis and are approved by the Board. These policies are made available to all employees for consultation and compliance through the Bank's intranet.</p> <p>Both the internal and external auditors perform assessments as part of their audit of technology and information management and governance. All significant technology and information-related audit findings are reported to the Risk Management Committee and the Audit Committee, which ensure that they are addressed accordingly.</p>	
<b>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 a good corporate citizen</b>	<p>The Board ensures that the Bank complies with applicable laws, non-binding rules, codes and standards.</p> <p>The Board has delegated the responsibility for implementing compliance to management. Systems and procedures are in place to formally assess the Bank's compliance with applicable law and adopted non-binding rules, codes and standards through the application of compliance risk management methodology, compliance management policy and framework.</p> <p>Other than a small administrative fine in respect of non-compliance with some of the terms and conditions of the Mauritius Credit Information Bureau, which have subsequently been rectified, there were no regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations imposed on the Bank.</p>	
<b>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</b>	<p>The Nomination and Remuneration Committee assumes responsibility for the governance of remuneration and sets the direction regarding 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's competitive packages and long-term share awards, which ensure alignment with key stakeholders in our business.</p>	Refer to page 75 of the annual report for more detail on human resources and remuneration policy.

KING IV  
CONTINUED

Principle	Explanation and focus areas	Annual report reference
<b>Governance Functional Areas continued</b>		
<b>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 integrity of the organisation's external reports</b>	<p>Representation from external audit, internal audit, compliance and operational risk at 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.</p> <p>An internal audit plan, which is agreed between internal audit, external audit and management on an annual basis, is presented to the Audit Committee for approval. The internal audit charter is reviewed 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.</p>	Refer to pages 77 to 78 of the annual report for more details on external and internal audit.
<b>Stakeholders Relations</b>		
<b>Principle 16 – In the 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</b>	<p>The Board monitors and has oversight of the governance of stakeholder relationships. The Bank continually seeks to achieve an appropriate balance between risk and reward in its business, taking cognisance of all stakeholder needs, interests and expectations.</p> <p>The Board, together with management, understands and responds to the needs of the various stakeholder groups which include the shareholder, employees, regulators, government, clients, suppliers and the community in which the Bank operates.</p> <p>The Bank publishes its full annual report and its interim financial results on its website to ensure effective communication, and encourage transparency and trust, and to enable the various stakeholders to make informed risk decisions.</p>	Refer to page 78 for more details on relations with shareholders and other key stakeholders.