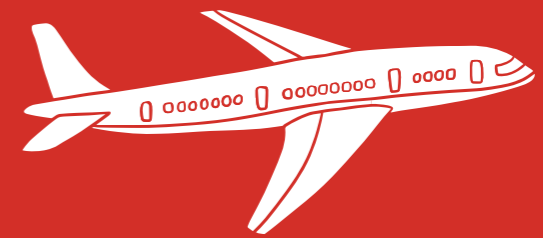


“
Since the very beginning, our purposeful belief
has been to connect people, places and
possibilities around the globe.

#Believe

#Connect

#Grow



CORPORATE GOVERNANCE REPORT

OUR MAXIM

The Board of Directors (“Board”) deems that endorsing quality norms and beliefs of good governing practices at the Bank provide a solid bedrock for sustainability, a long-haul value creation for all of its stakeholders and a culture of transparency. The Board entrusts its powers through its leadership in the hierarchy eulogising elevated standards of corporate governance to direct and supervise the conduct of the business and the affairs of the Bank ethically and effectively.

CORPORATE GOVERNANCE REPORT

GENERAL

This year under review was marked by the recomposition of AfrAsia Bank Limited's (the "Bank" or "AfrAsia Bank" or "ABL" or "AfrAsia") Board of Directors as enjoined by the Bank of Mauritius ("BOM"). Though ABL and its Board have taken the required steps to ensure compliance with the principles set out in the National Code of Corporate Governance, it remained non-compliant vis-à-vis a few of those principles and same is disclosed in the "Statement of Compliance" on page 64 along with underlying rationale behind the non-compliance.

Disclosures pertaining to the eight principles of the Code have been made in different sections of the Annual Report, as outlined below:

Principle 1:	Corporate Structure
Principle 2:	The Structure of the Board and its Committees
Principle 3:	Director Appointment Procedures
Principle 4:	Director Duties, Remuneration and Performance
Principle 5:	Risk Governance and Internal Control
Principle 6:	Reporting with Integrity
Principle 7:	Audit
Principle 8:	Relations with Shareholders and Other Key Stakeholders

DISCLOSED IN

Corporate Governance Report
Corporate Governance Report
Corporate Governance Report
Corporate Governance Report
Corporate Governance Report and Risk Management Report
Corporate Governance Report, Sustainability Report and Section B
Corporate Governance Report
Corporate Governance Report

PRINCIPLE ONE - GOVERNANCE STRUCTURE

OUR GOVERNANCE FRAMEWORK AND ACCOUNTABILITIES

ABL, a public company incorporated on the 12th of January 2007, holds a banking licence which was issued on the 29th of August 2007. Its core banking and transactional capabilities are in Mauritius along with a representative office in South Africa. It is a Public Interest Entity ("PIE") as per the Financial Reporting Act 2004 and adheres to the requirements of the relevant rules, regulations and legislations.

The Bank operates under the aegis of a unitary Board, collectively geared in guiding and directing the organisation to take the necessary steps to adhere, to the best of the Board's knowledge, to all legal and regulatory requirements including:

- The eight principles issued by the National Committee on Corporate Governance in its "National Code of Corporate Governance for Mauritius (2016)" (the "Code");
- The Banking Act 2004 (amended 12 August 2021);
- The "Guidelines on Corporate Governance 2001" (revised October 2017) issued by BOM; and
- The provisions of The Companies Act 2001 of Mauritius.

ABL has in place a Conduct and Ethics Policy and in line with same, it is committed to employing the right people and to promote a culture of mutual respect and ethical behaviour. Employees and Directors are expected to treat each other with consideration and respect and are not permitted to engage in conduct which is hostile or offensive to another person. The Bank promotes transparency and all staff and Directors are made aware and accountable of their responsibilities.

A copy of the Bank's Conduct and Ethics Policy is available on its website as follows:

(<https://www.afrasiabank.com/media/3222/conduct-and-ethics-policy-staff.pdf>).



CORPORATE GOVERNANCE REPORT

OUR GROUP STRUCTURE AS AT 30 JUNE 2021

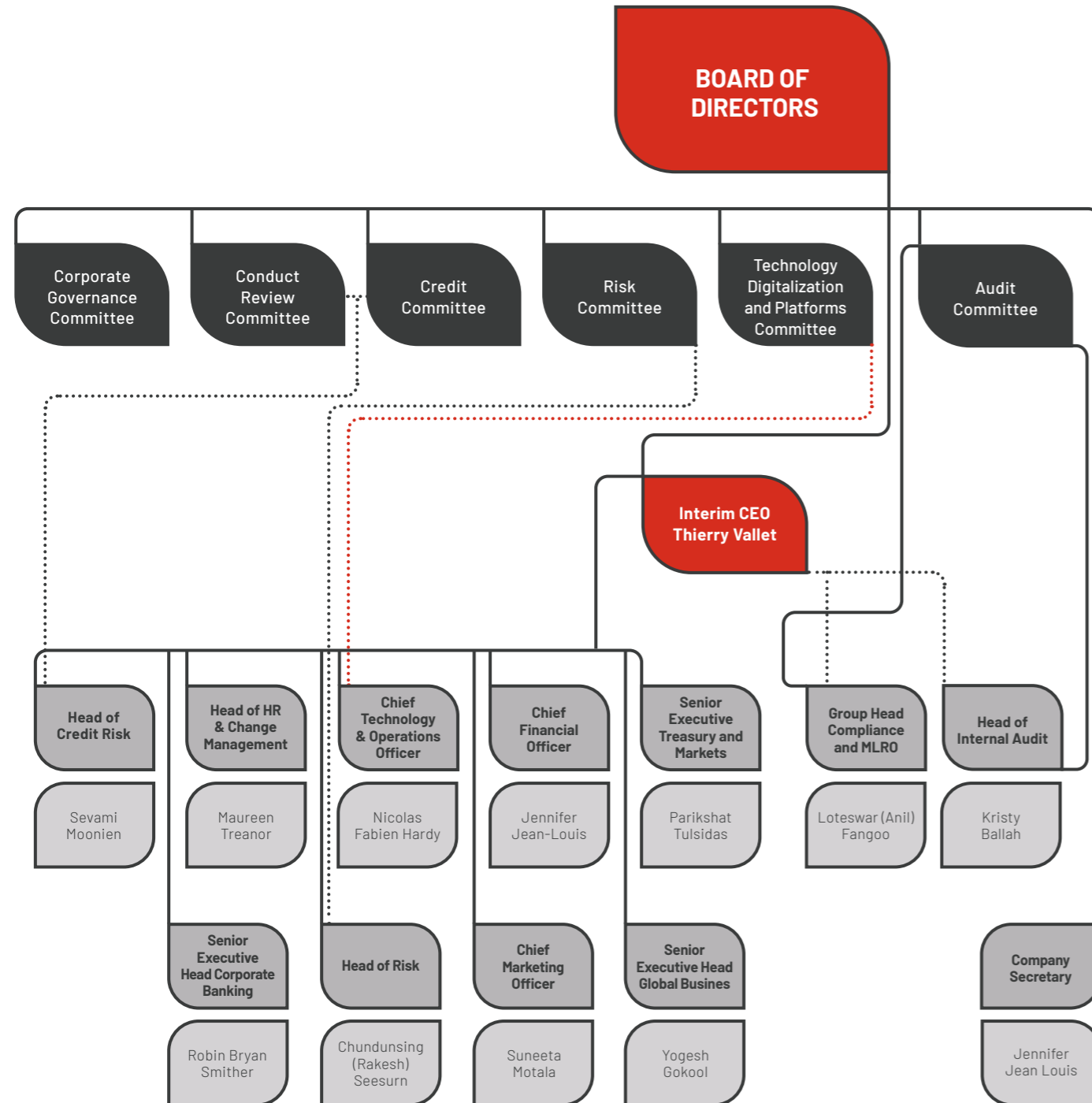


Under liquidation

Under liquidation

CORPORATE GOVERNANCE REPORT

OUR GOVERNANCE STRUCTURE AS AT 30 JUNE 2021



Note: The Governance Structure above did not include the Corporate Governance Committee as none of Senior Management report to the latter.

*Effective date of resignation is 31 August 2021.

- Direct reporting
- Functionally/administratively report to CEO
- Operationally reporting to Board Committees

CORPORATE GOVERNANCE REPORT



KEY GOVERNANCE POSITIONS

The Bank sets the tone for its employees and Directors to uphold the highest standards of integrity, transparency and probity.

The Terms of Reference, which the Board reviews and approves as and when required, defines all key governance positions within the Bank and their corresponding accountabilities which are critical drivers of strategic

performance and for optimised adherence to proper governance. A clear line of demarcation is drawn between the roles and responsibilities of the Chairperson and the Chief Executive Officer (CEO) to impede any unfettered powers; these are listed below:

Chairperson of the Board

The duties of the Chairperson include:

- To preside meetings of Directors and to ensure the smooth functioning of the Board in the interests of good governance. He/she will usually also preside over the Bank's meetings of shareholders;
- To provide general leadership to the Board and encourage active participation of each Director in discussions and Board matters;
- To participate in the selection of Board members to ensure an appropriate mix of competencies, experience, skills and independence on the Board;
- To oversee a formal succession plan for the Board, the CEO and the Senior Management;
- To make sure that monitoring and evaluation of the Board and the Directors' appraisal are carried out;
- To ensure that all relevant information and facts are given to the Board so as to enable it to take informed decisions;
- To maintain sound relations with the Bank's shareholders and ensure that the principles of effective communication and pertinent disclosures are followed; and
- To submit to the Bank, for each financial year, a compliance statement certifying that the Bank has complied with the provisions of law and regulations and guidelines issued by the Bank.

Chief Executive Officer (CEO)

The main functions of the CEO are:

- To develop and recommend to the Board a long-term vision and strategy for the Bank that will generate satisfactory levels of shareholder value and positive, reciprocal relations with the relevant stakeholders;
- To devise and recommend to the Board annual business plans and budgets that support the Bank's long-term strategy. The CEO must ensure that a proper assessment of the risks under a variety of possible or likely scenarios is undertaken and presented to the Board;
- To strive consistently to achieve the Bank's financial and operating goals and objects and ensure the proper management and monitoring of the daily business of the Bank; and
- To be the chief spokesperson for the Bank in relation to all operational and day-to-day matters. The CEO and the other key officers of the Bank must attend meetings of the shareholders and be ready to present material operational developments to the meeting.

CORPORATE GOVERNANCE REPORT

SENIOR MANAGEMENT TEAM PROFILE



**Master of Business Administration
International Finance**

HEC School of Management, Paris

Date joined AfrAsia: 20-Aug-07

Engineer by trade, financial engineer by profession, Thierry is a seasoned banker bringing more than 20 years of expertise and insights to the Banking and Finance industry. As Founder Executive of AfrAsia Bank and heading the Strategic Development since inception, Thierry has contributed to the growth of AfrAsia Bank multifariously. From establishing the Bank's rock-solid foundation, pioneering Private Banking in Mauritius, being a key pillar in the inception and

success of the AfrAsia Bank Mauritius Open, to positioning the Bank and the Mauritius jurisdiction on international platforms, Thierry has played a key role in AfrAsia's Bank Different journey – attested by the multiple accolades earned by reputable international bodies. Over the past 14 years, Thierry has contributed to the achievement of key milestones in different capacities: he was promoted to General Manager in 2012; he served as Director of AfrAsia Group subsidiaries; and presently, Thierry is the Interim CEO of the Bank.

THIERRY VALLET
Interim CEO



YOGESH GOKOOL
Senior Executive – Head Global Business

Society of Trust and Estate Practitioners (STEP)

Mauritius Institute of Directors (MloD)

International Tax Planning Association (ITPA)

Postgraduate qualification
The Mechanics of Private Equity
Middlesex University, London

Date joined AfrAsia: 03-Jul-08

Over 25 years of experience in financial management gained whilst working for International Financial Services Ltd (now Sanne Mauritius), a leading local offshore management company, overseeing a portfolio of over 100 clients including mutual funds and private equity funds. Yogesh also worked for Deutsche Bank (Mauritius) where he headed the fiduciary services division. He sits on the Board of STEP Mauritius, which promotes private clients work and liaises with the Government of Mauritius on current issues and the implementation of fiduciary legislation. Yogesh currently heads up the global business side of the Bank.



NICOLAS FABIEN HARDY
Chief Technology & Operations Officer

Master of Business Administration
University of Cape Town

B.Sc. Mathematics
University of Natal, South Africa

Date joined AfrAsia: 03-Jun-19

Nicolas brings over 18 years of experience within various senior positions in banking. Treasurer by trade, he has cumulated many management responsibilities including credit, ALCO, private banking, FI relationship and operational risk whilst directing the strategic operations and technological development, encompassing the online, digital and currency cards. Nicolas's background includes serving in other leadership roles at NatWest Markets, Robert Fleming & Co, Rogers Group, Tomfin Asset Management and Digi-Strat. Nicolas currently oversees the operational and technological areas of the Bank.



SEVAMI MOONIEN
Head of Credit Risk

B.Sc. (Hons) in Management
University of Mauritius

Date joined AfrAsia: 28-Oct-13

Sevami has an extensive career in the banking sector counting more than 20 years of experience. Prior to joining AfrAsia, Sevami held several senior positions within the field of credit risk at Standard Bank (Mauritius) Limited and Absa Bank (Mauritius) Limited. During her career, she has developed a broad knowledge of both local and international markets. She currently heads the credit risk department, providing leadership and guidance in all matters relating to credit risk management, credit approvals, monitoring and controlling the credit portfolio.



JENNIFER JEAN-LOUIS
Chief Financial Officer &
Company Secretary

Fellow Chartered Accountant (FCA)

Institute of Chartered Accountants in England and Wales

Chartered Tax Advisor in England and Wales

Mauritius Institute of Directors (MloD)

Date joined AfrAsia: 30-Jul-07

A Chartered Accountant with 20 years plus of experience, having practised locally and internationally in auditing, taxation and advisory, Jennifer returned to Mauritius in 2007 and joined AfrAsia Bank at its very inception stage to build the foundation of the financial framework and structure of the Bank. Apart

from the responsibilities of overseeing the accounting team and in charge of the financial affairs of the Bank, Jennifer has participated in numerous strategic initiatives, including capital raising, mergers and acquisitions (M&A) and International Financial Reporting Standards (IFRS) transitions. During the year, Jennifer took the additional responsibility as Company Secretary and cumulates this role alongside her position as CFO of the Bank and its subsidiary.

CORPORATE GOVERNANCE REPORT

SENIOR MANAGEMENT TEAM PROFILE (Cont'd)



SUNEETA MOTALA
Chief Marketing Officer

Pre-associateship
Chartered Institute of Bankers

M.Sc. in Marketing
Salford University, UK

International Certificate for Financial Advisors
Chartered Insurance Institute

General Management Certificate
ESSEC Business School, France

Date joined AfrAsia: 01-Jul-07

Suneeta is a seasoned banker with more than 25 years of experience in the financial services industry. She started her career at HSBC in branch

operations and has risen through the ranks of sales, credit, risk management and marketing along her journey. An individual who thrives on turning complexities into opportunities, Suneeta joined AfrAsia in 2007 as Head of Marketing & Public Relations and built the brand from scratch through breakthrough strategies, contributing towards positioning AfrAsia amongst the five systemically important Mauritian Banks. A firm believer in female leadership, Suneeta is the first African member of the CMO Club – the world's most innovative and engaged member-based community of Chief Marketing Officers.



CHUNDUNGING (RAKESH) SEESURN
Head of Risk

Association of Chartered Certified Accountants (ACCA)

Chartered Institute for Securities & Investment (United Kingdom (UK))

Mauritius Institute of Directors (MloD)

The Institute of Risk Management South Africa (IRMSA)

Date joined AfrAsia: 04-Sep-16

Rakesh was appointed Head of Risk in October 2018. He was previously Business Manager reporting to the Senior Executive – Corporate Banking and to the CEO. He currently oversees the Market Risk, Asset and Liability Management, Recovery, Anti-Money Laundering (AML), Operational Risk and IFRS 9 implementation divisions.

Prior to joining AfrAsia, Rakesh accumulated extensive experience through various senior roles driving change across the Audit & Finance divisions with Deloitte & Touche Qatar, Deutsche Bank and Standard Bank. He brings over 20 years of onshore and offshore expertise in key areas such as risk appetite, budgeting, strategic planning and other fundamental projects.



ROBIN BRYAN SMITHER
Senior Executive – Head Corporate Banking

Master of Business Administration
University of Witwatersrand (WITS)
South Africa

Post Graduate Diploma in Business Management
University of Witwatersrand (WITS)
South Africa

Degree in Social Science (PPE)
University of Cape Town

Date joined AfrAsia: 07-Jan-13

Robin has over 20 years' experience in corporate and investment banking with an extensive knowledge in global markets, investment banking and lending products. Robin was with Standard Bank for more than 11 years, spent 3 years in Mauritius as Head of Corporate Banking, followed by some time in South Africa as a senior banker to Standard Bank's large global multinational clients where he developed an extensive knowledge of Africa related banking and business. Robin currently heads up the domestic and international corporate banking activities for the Bank.



MAUREEN TREANOR
Head of Human Resources and Change Management

Master of Business Administration
Edinburgh Business School, UK

Qualifications in Human Resources
ABE UK

Project Management
University of Mauritius

Mauritius Institute of Directors (MloD)

Date joined AfrAsia: 01-Jun-2010

Maureen started her career with Barclays Bank (UK) approximately 25 years ago. She joined AfrAsia as Head of Human Resources and Change Management in 2010; she has local and international experience.



PARIKSHAT (PARIK) TULSIDAS
Senior Executive – Treasury and Markets

Bachelor of Arts in Marketing and HR
Middlesex University London

ACI Dealing Certificate
ACI

Date joined AfrAsia: 21-Jan-13

Effective date of resignation: 31-Aug-21

Parik, a Mauritian national, has more than 20 years' experience in corporate & investment banking and treasury. He joined AfrAsia Bank Limited from Standard Bank where he held the position of General Manager, Global Markets Advisory (China);

prior to his move to Beijing, he held the post of Head of Sales – Global Markets (Mauritius) for approximately 5 years.

CORPORATE GOVERNANCE REPORT

PRINCIPLE TWO – THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

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

The powers of Directors are set out in the Bank's Constitution and in the Terms of Reference for the Board. The Board is aware of its responsibilities to ensure that the Bank adheres to all relevant legislations such as The Banking Act 2004 (amended 12 August 2021), the Financial Reporting Act 2004, the Financial Services Act 2007 and The Companies Act 2001 of Mauritius. The Board reassesses its Terms of Reference as and when required.

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

The Board acknowledges that the Bank is not in compliance with Principle Two of the Code as at 30 June 2021 on the following matter:

- The Board composition does not include an Executive Director.

Moreover, the Board is also in the process of reviewing the Board sub-committee compositions of the Bank to address the following matters:

- The sub-committees' membership are not evenly shared among Directors;
- The chairpersonship of the different sub-committees is not evenly shared among Directors; and
- There are a few sub-committees which are currently being chaired by the Board's Chairperson.

The Board is of opinion that when the re-composition exercise is completed, the Bank will comply with the principles and guidelines of the Code.

THE KEY FUNCTIONS OF THE BOARD COMPRISE:

- Determining the Bank's purpose, strategy and values - the Board is responsible to set the long-term goals, do the strategic planning and propose action plans;
- Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans - the Board must provide guidance and maintain effective control over the Bank, and monitor management in carrying out Board's plans and strategies;
- Exercising leadership, enterprise, intellectual honesty, integrity, objectivity and judgment in directing the Bank as to achieve sustainable prosperity for the Bank;
- Ensuring that procedures and practices are in place to protect the Bank's assets and reputation. Thus, the Board must regularly review processes and procedures to guarantee the effectiveness of the Bank's internal control systems;
- Considering the necessity and appropriateness of installing a mechanism by which breaches of the principles of Corporate Governance could be reported;
- Defining levels of materiality, reserving specific powers for itself and delegating other related matters with the necessary written authority to the management. These matters should be monitored and evaluated by the Board on a regular basis. Such delegation by the Board must have due regard for the Directors' statutory and fiduciary responsibilities to the Bank, while taking into account strategic and operational effectiveness and efficiency;
- Retaining full and effective control over the Bank and be responsible for the appointment and monitoring of management in its implementation of the Board's approved plans and strategies;
- Questioning, scrutinising and monitoring, in a pro-active manner the performance of management, the Board sub-committees and the individual Directors;
- Always remaining responsible for the overall stewardship of the Bank and must be ready to question, scrutinise and monitor, in a proactive manner, management's performance;
- Identification of key risk areas and key performance indicators of the business enterprise to enable the Bank to generate economic profit and eventually to enhance shareholders' value in the long-term. The interests of society at large must also be recognised;
- Ensuring that the Bank's policies and systems are effective enough to achieve a prudential balance between the risks and potential returns to the shareholders;
- Ensuring that the Bank's operations are conducted prudently and within the framework of laws and Board policies and that any deviation is reported to an appropriate level of management, or if necessary, to the Board;
- Ensuring the integrity of the institution's risk management practices and internal controls, communication policy, Director's selection, orientation and evaluation;
- Ensuring that the necessary internal controls and management systems are put in place to monitor effectively the operations and to ensure that the Bank complies with all relevant laws, regulations, codes of best business practice and policies;
- Recording of the facts and assumptions on which the Board relies to conclude that the business will or will not continue as a going-concern in the financial year ahead. If not, the Board must record the steps it is taking;
- Monitoring and assessing risks in order to achieve the continuous viability of the Bank at all times;
- Setting a policy in relation to the frequency, purpose, conduct and duration of the Board's and the Committees' meetings;
- Ensuring that there are efficient and timely dissemination and briefings of information to the Board Members before any meeting. This must also include an agreed procedure whereby the Directors can obtain appropriate independent professional advice at the Bank's expense when necessary;

THE KEY FUNCTIONS OF THE BOARD COMPRISE: (Cont'd)

- Enabling Non-Executive Directors get access to management without the presence of the Executive Directors. This procedure must be agreed collectively by the Board;
- Regular identification, monitoring and reporting of the non-financial aspects relevant to the Bank's business;
- Ensuring that it communicates with the shareholders and the relevant stakeholders (internal and external) openly and promptly with substance prevailing over form. Proper means of communication to be put in place so as to both communications with and to receive feedback from the shareholders and other stakeholders;
- Appointing a Chief Executive Officer and to satisfy itself of the integrity of the Chief Executive Officer. Moreover, the Board must ensure that the succession is professionally planned in a timely manner;
- Appointing Bank Secretary and in so, doing satisfy itself that the appointee is fit and proper and has the requisite attributes, experience and qualification to properly discharge his/ her duties;
- Balancing between 'CONFORMANCE' and 'PERFORMANCE'. Conformance is compliance with the various laws, regulations and codes governing companies. Ensuring the performance requires the development of a commensurate enterprise culture within the organisation so that returns to shareholders are maximised while respecting the interests of other stakeholders; and
- Contributing fully in developing and sustaining the enterprise culture. Thus, the Board must be constituted in a manner that provides a balance between enterprise and control.

The Terms of Reference is available for consultation on the Bank's website.

(<https://www.afriasiabank.com/en/about/corporate-governance/governance-framework>)



PRIOR APPROVAL OF THE BOARD

As per The Companies Act 2001 of Mauritius, the Terms of References and the Bank's Constitution, decisions also requiring prior approval of the Board includes the following:

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

CORPORATE GOVERNANCE REPORT

OUR DIRECTORATE

The Constitution of AfrAsia Bank Limited provides for a board comprising a minimum of 5 Directors and a maximum of 14 Directors. As at 30 June 2021, the Bank had a unitary board of ten experienced, well-known and high caliber members from both local and international frontiers with the right balance in knowledge, skills and expertise across various sectors.

The Board acknowledges that based on the size of the Bank and its relative shareholding structure, as at 30 June 2021, it did not have an appropriate representation in terms of the balance of Executive, Non-Executive and Independent Non-Executive Directors. During the financial year under review, the ex-CEO, Executive Director, Sanjiv Bhasin left his position as an early retirement, effective 28 February 2021. Thierry Vallet, General Manager, was appointed as the Interim CEO. The Board has started the active process of identifying the successor with the optimal skill set and caliber to fill in the CEO position. The Board gives credence to the current skill mix, knowledge and experience of its Directors, which it believes are solid enough to collectively provide the core abilities for the headship of the Bank.

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

Following letters received from BOM dated 19 August 2020 and 28 August 2020, enjoining the Bank to reconstitute its Board of Directors, a special meeting of shareholders was convened on 29 September 2020, wherein 9 new directors were subsequently appointed. Sanjiv Bhasin remained as the Executive Director. Subsequently, the Board appointed Joan Jill Wan Bok Nale to bring the total number of new directors to 10 members as tabulated below;

Name	Directorship	Effective Date
Inderjit Singh Bedi	Independent Non-Executive Director	02-Oct-20
Brian Adam Davis	Non-Executive Director	02-Oct-20
Isabelle Marie Edith Alvares Pereira De Melo	Non-Executive Director	02-Oct-20
Afsar Azize Abdulla Ebrahim	Independent Non-Executive Director	02-Oct-20
Aslam Kanowah	Non-Executive Director	02-Oct-20
Christian St-Arnaud	Non-Executive Director	02-Oct-20
Jan Fredrik Louis Gaëtan Boullé	Non-Executive Director	09-Oct-20
Giriraj Sinh Jadeja	Independent Non-Executive Director	22-Oct-20
Jean-Raymond Rey	Non-Executive Director	05-Nov-20
Joan Jill Wan Bok Nale	Independent Non-Executive Director	05-Nov-20

CORPORATE GOVERNANCE REPORT

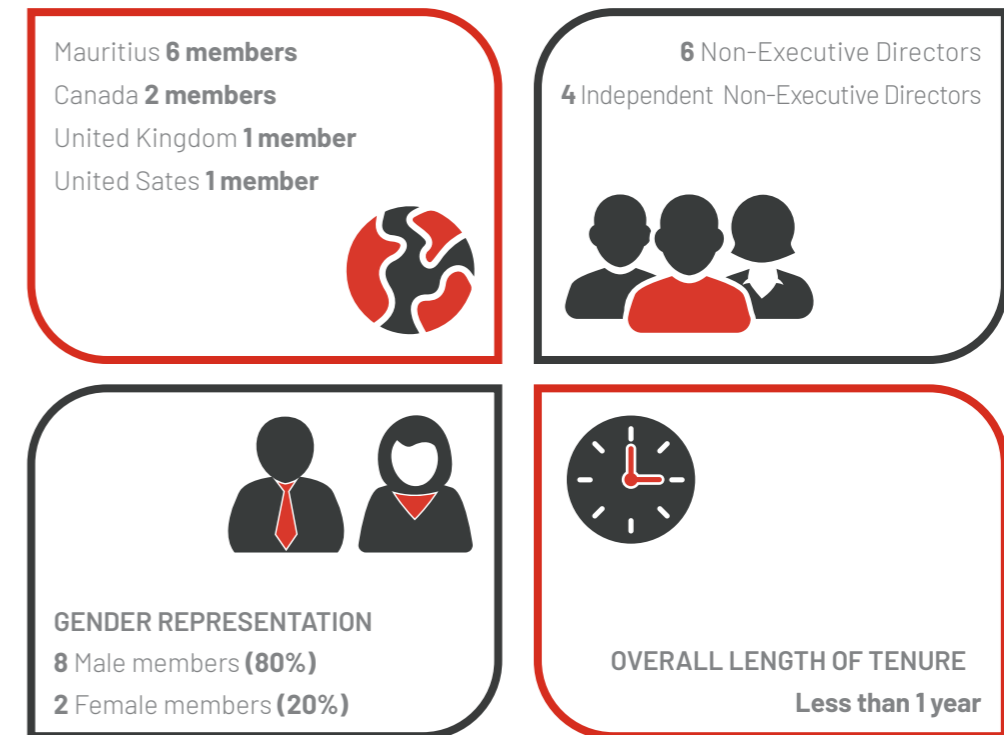
OUR DIRECTORATE (Cont'd)

The Bank is in line with BOM's "Guidelines on Corporate Governance 2001" (revised October 2017) issued by the Bank of Mauritius, more specifically Section 18(3) of The Banking Act 2004 (amended 12 August 2021) which stipulates that the Board of Directors of a financial institution incorporated in Mauritius should consist of at least 5 natural persons, 40 per cent of which must be Independent Directors. As at 30 June 2021, following the early retirement of Sanjiv Bhasin effective 28 February 2021 as CEO/ Executive Director, AfrAsia Bank Limited met the minimum percentage of Independent Non-Executive Directors.

On 3 August 2021, Afsar Azize Abdulla Ebrahim decided to step down as Independent Non-Executive Director of ABL effective as soon as the Board finds a suitable candidate as replacement in order not to destabilise the Board and compliance of the Bank with The Banking Act 2004 (amended 12 August 2021).

On 9 August 2021, AfrAsia Bank welcomed a new director, Fiorangelo Salvatorelli, on the Board as an Independent Non-Executive Director.

Further details of the Board composition as at 30 June 2021 is shown hereafter.



CORPORATE GOVERNANCE REPORT

DIRECTORS' PROFILES



INDERJIT SINGH BEDI
Independent Non-Executive Chairperson

BA in Engineering Science
Oxford University, St Edmund Hall, UK

Date of first appointment as Director:
02-Oct-20

Present directorship:
Other non-listed entities:
BellHouse Capital Limited
Billesley Manor Hotel Limited
Simply Conference and Corporate Events Support Limited

Inderjit is a highly seasoned veteran banker with over 32 years' experience in both commercial banking and investment banking gained at a very senior (Managing

Director and Management Board) level at some of the most prestigious and largest global financial institutions ranging from UniCredit, BNP Paribas, Bankers Trust Company, Baring Brothers and First Chicago.

Prior to setting up his own firm, BellHouse Capital, in the UK (which is authorised and regulated by the Financial Conduct Authority), he had been the London Management Board member at UniCredit/HVB for 4 years with oversight of all the capital markets distribution and derivatives activities in London and also supported the integration effort when Italy's UniCredit acquired Germany's HypoVereinsbank.

Country of residence: United Kingdom



BRIAN ADAM DAVIS
Non-Executive Director

Bachelor of Laws
Osgoode Hall Law School, York University

Date of first appointment as Director:
02-Oct-20

Present directorship:
Brian acts as a director for the following wholly-owned direct and indirect subsidiaries of National Bank of Canada. These entities are generally holding companies for the bank and not engaged in active businesses. In each case Brian is a non-independent executive director.

Other non-listed entities:

- Financière Banque Nationale & Cie Inc./ National Bank Financial & Co. Inc.
- Financière Banque Nationale Inc./ National Bank Financial Inc.
- National Bank of Canada Financial Group Inc.

- Nbf B Holdings Inc.
- National Bank of Canada Financial Inc.
- Nbf Private Equity Holdings Inc.
- Nbf International Holdings Inc./ Société De Portefeuille Fbn International Inc.
- Wellington West Holdings Inc.
- Wellington West Capital Inc.
- 9130-1564 Québec Inc.
- Gestion De Portefeuille Natcan Inc./ Natcan Investment Management Inc.
- Proctor Investment Managers LLC
- Credigy International Holdings Inc.

Co-Chairman, Co-President and Co-Chief Executive Officer, and a Director, of National Bank Financial Inc. the principal investment dealer subsidiary of National Bank of Canada, as well as acting as a Director or officer of numerous other affiliates of National Bank of Canada.

Brian spent the first twenty-plus years of his professional career practicing law with a focus of corporate securities and M&A, most of which was with the Canadian based law firm Torys LLP. Brian left Torys in 2005 to join National Bank Financial Inc., where he initially served as Executive Vice-President of Corporate Development and Governance. He became the Co-President and Co-CEO of the investment dealer in 2014 and continues to serve in that capacity.

Country of residence: Canada



JAN FREDRIK LOUIS GAËTAN BOULLÉ
Non-Executive Director

Ingénieur Statisticien Economiste (ISE)
France

Post graduate studies in Economics
Université Laval, Canada

Date of first appointment as Director:
09-Oct-20

Present directorship:
Listed entities:

- Bluellife Ltd
- IBL Ltd (Chairman)
- Lux Island Resort Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The United Basalt Products Ltd

and other non-listed Mauritian companies.

Jan begun his career in 1982 as "Chargé de Compte de Branches", Comptabilité Nationale at the "Ministère du Plan", Abidjan, Republic of Ivory Coast, a post he occupied for one year.

He has been working for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships where his latest position was Group Head of Projects and Development.

Jan has been appointed as the Non-Executive Chairman of IBL Ltd on the 1st July 2016 and is also a member of the Board of Directors of several of IBL Group's major companies.

Country of residence: Mauritius



ISABELLE MARIE EDITH ALVARES PEREIRA DE MELO
Non-Executive Director

Master HEC Paris
Post Graduate Certificate in Corporate Governance - MIOD (expected 2021)

Date of first appointment as Director:
02-Oct-20

Present directorship:
Listed entities:

- IBL Ltd

Other non-listed entities:

- Prinkipo Ltd
- Rosemary Farms Ltd
- GoBeyond Investing Ltd
- Mo Business Angels Ltd
- Mo Angels Second Ltd
- Mo Angels III Ltd
- Mo Angels IV Ltd

Isabelle is a Mauritian, Swiss and French national. She started her career in audit with Arthur Andersen in Paris rising to Manager. She then held CFO positions in a fast-growing high technology multinational Gemplus headquartered in France, an aviation Group PrivatAir based in Switzerland adding Human Resources to her responsibilities. In 2009 she became COO for a large Geneva based family office, later the Servette Sports' team group and a Real Estate Foundation. Since 2010 she is an active angel investor in early stage start-ups and has cofounded an initiative to develop angel investing out of Mauritius Mo Business Angels. She is an Independent Non- Executive Director for IBL Ltd since 2019 where she sits on the Audit and Risk Committee as well as the IT Committee. A Fellow of the MIOD, she is currently reading for the Diploma in Corporate Governance.

Country of residence: Mauritius



AFSAR AZIZE ABDULLA EBRAHIM
Independent Non-Executive Director

Fellow Chartered Accountant (FCA)
Institute Chartered Accountants in England & Wales (ICAEW)
Prize Winner Professional Exam 1

Corporate Finance Qualification
Institute Chartered Accountants in England & Wales

Date of first appointment as Director:
02-Oct-20

Afsar is the founding partner of KICK Advisory Services. He has over a quarter century of experience in Corporate Restructuring, M&A, strategy, financial consulting and fund raising to clients across a wide spectrum of industries both locally and in Africa. Previously served as Deputy Group Managing Partner in Mauritius, East Africa and Indian Ocean Islands.

Prior to his tenure at BDO, he served as Manager Corporate & Investment Banking at HSBC Mauritius during which period he was trained in Hong Kong and Singapore by HSBC in Corporate Lending Analysis and Applied Credit lending.

Trained in Operational & Financial Consulting with Arthur Andersen at St Charles, USA, and in London and has attended the Harvard Business School program on Managing Professional Services Firm in 2012 and BDO Global Partner Leadership Program in 2016.

He is also a director on Financial Reporting Council and serves as director on various global business entities.

Afsar is also a Founding Member of Mauritius Africa Business Club.

Country of residence: Mauritius



GIRIRAJ SINGH JADEJA
Independent Non-Executive Director

M.B.A. Major in Finance
Baruch College, The City University of New York (CUNY)

Master's Degree in Hotel Management

Oberoi School of Hotel Management (A Cornell University Affiliate Program)

B.A. (Honors)
St. Stephen's College, University of Delhi

Date of first appointment as Director: 22-Oct-20

Proven leader and seasoned executive with over 30+ years of extensive experience in fintech, finance, banking and emerging markets investment around

the world. Solid track record of building teams, fostering client relationships and delivering profitable investment programs in frontier, transition and post-conflict economies.

Country of residence:
United States of America

CORPORATE GOVERNANCE REPORT

DIRECTORS' PROFILES (Cont'd)



ASLAM KANOWAH
Non-Executive Director

Fellow of the Association of Chartered Certified Accountants (FCCA)
Association of Chartered Certified Accountants

MBA International Banking and Finance
Washington International University, USA

Certified Islamic Finance Expert (CIFE)
Academy for International Modern Studies, UK

Date of first appointment as Director:
02-Oct-20

Present directorship:

Other non-listed entities:

- Artezia Transport Management Solutions Limited
- Besst Point Capital House Limited
- Discovery Capital Managers Ltd
- East Africa Mining Limited
- Intra Energy Ltd
- Intra Minerals Ltd
- Intrafrican Resources Limited
- Intrasia Management (Mauritius) Limited
- Intrasia Securities Limited
- Levene Energy Development Limited
- Levene Energy Holdings Limited
- Macif Commodity Trading Limited
- Macif Holdings Limited
- Macif Investments Limited
- Phobos Ltd
- Rapture Global Investment Fund Ltd
- The Pines Art Productions Limited
- Vantage Financial Advisors Ltd

Aslam is a finance professional, banker and accountant with 32 years in the financial services sector and over 18 years in the domestic and offshore banking industry.

In addition to banking his leadership role in developing licensed corporate and wealth management companies has given him a strong background in business development, compliance, governance and strategic planning. Over the course of his career he has held key positions in assets management, back office, corporate & fund administration, operations trading and treasury management.

He started at The Indian Ocean International Bank Ltd and subsequently worked for Bank International Indonesia, Standard Bank and Superfund Assets Management before moving to the Global Business Sector in 2011 and was the CEO of Aurisse International Ltd, COO of Capital Horizons Ltd and is currently the CEO of Intrasia Management (Mauritius) Ltd.

He has held a portfolio of directorships since 2011 in various entities engaged in advisory, brokerage, consultancy, funds, investment management, mining and trading. He has a track record in teaming up for the start-up of new offices for international and regional companies in Mauritius and a reputation for leading teams towards peak performance.

Country of residence: Mauritius



JEAN-RAYMOND REY
Non-Executive Director

Fellow Member

Mauritius Institute of Directors (MioD)
Certified Associate of the Institute of Bankers (South Africa)

BCom in Economics and Business Administration
University of Natal, South Africa

Post-Graduate Diploma in Advance Banking
University of Johannesburg, South Africa

Certificate in "Leading Yourself"
INSEAD, Fontainebleau, France

Date of first appointment as Director:
05-Nov-20

Present directorship:

Other non-listed entities:

- GrandCap FinCo
- GrandCap Holland
- GrandCap PCC
- STS AIO Holdings Ltd
- STS International

Jean-Raymond has successfully led teams over more than 30 years in banking and financial services industry while operating in over 12 countries in Africa, with extensive expertise in Mauritius, South Africa and Democratic Republic of Congo where he ran banks. Over the last 20 years, Jean-Raymond has assumed the responsibility and challenges of various Executive as well as Non-Executive Director roles.

Jean-Raymond has conservative risk management skills with demonstrated ability to adapt to different environments and cultures; he has honed a comfort in operating in both francophone and anglophone environments. Effective communicator and self-motivator, always aiming to deliver results beyond expectations while imbedding good corporate governance and best practice into every deal as well as being able to engage multiple levels of stakeholders.

Jean-Raymond has successfully summited Mount Kilimanjaro on 21st August 2016.

Country of residence: Mauritius



FIORANGELO SALVATORELLI
Independent Non-Executive Director

D.Phil Engineering Science
M.A Engineering Science
University of Oxford/Exeter College, Oxford, England

MSc Structural Engineering (Coursework)
Universidad Simon Bolivar, Caracas, Venezuela

MEng Civil Engineering
BSc Civil Engineering
Universidad Catolica Andres Bello, Caracas, Venezuela

Date first appointment as Director:
09-Aug-21

Present directorship:

Other non-listed entities:

- Fusion Global Capital
- Independent Corporate Access Ltd

Fiorangelo is CIO and Portfolio Manager of the ALANTRA Global Technology Fund. He is a Partner at Fusion Global Capital Ltd and Hermes Growth Partners Ltd. Fiorangelo was Partner and Head of Research at Lansdowne Partners.

Fiorangelo has also held Senior Portfolio Management and Research roles at Newton Investment Management (now part of BNY Mellon), Fidelity International and CCLA Investment Management.

Fiorangelo serves on the advisory board of FPE Capital (formerly Flemings Family & Partners Private Equity).

Fiorangelo was a former consultant with McKinsey & Co. in Milan and London and a University Lecturer at the University of Oxford Department of Engineering Science and INSEAD Business School (Fontainebleau).

Country of residence: United Kingdom



CHRISTIAN ST-ARNAUD
Non-Executive Director

Management Executive Development Program
C.I.R.E.M., Montreal, Canada

Bachelor of Business Administration, Major in Finance
HEC, Montreal, Canada

Date of first appointment as Director:
02-Oct-20

Present directorship:

Other non-listed entities:

- ABA Bank
- Finaptic Technologies Inc.

Christian graduated from the École des Hautes Études Commerciales in Montréal, Canada. Between 1983 and 2009, he occupied different positions in international and Canadian financial institutions in Canada, with a focus on credit capital market.

He joined National Bank of Canada in 2009 as Vice-President – Credit Capital Markets and Real Estate and was appointed Senior Vice-President – Credit in 2012 (2012-2020); overseeing all retail, commercial, and financial market credit activities of the Bank, including adjudication, portfolio management, and credit model development. He was also a member of numerous senior Committees of the Bank, including the Global Risk Committee, the Risk Management Committee and the Model Oversight Committee.

Country of residence: Canada



JOAN JILL WAN BOK NALE
Independent Non-Executive Director

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

B.Sc. (Hons) in Accounting and Finance
The London School of Economics and Political Science

Date of first appointment as Director:
05-Nov-20

Date of re-appointment as Director:
30-Dec-20

Jill is a finance professional with over 13 years of local and regional experience in Transaction Advisory/Assurance services provided across a diverse client portfolio spanning Hospitality, Financial Services, Real Estate, Gaming, Building Materials, Construction, or F&B/ Leisure.

She last held the position of Associate Director (Deals) at PwC where she advised both private and public clients on multiple and varied assignments including Valuations, Due Diligence/Feasibility Studies, Financial/Corporate restructuring, IPO and SEM/DEM Transactions, M&A advisory, Strategy/Business planning, and Deal closing.

Prior to joining PwC, Jill worked 2 years at International Financial Services Ltd (now Sanne Mauritius), a leading local offshore management company, overseeing a portfolio of over 100 clients including mutual funds and private equity funds, and serving as Director on a number of investment funds/GBCs. She started her career at Ernst & Young, where she led the audits of listed and nonlisted financial institutions mainly including banks, NBFs and Insurance companies.

Country of residence: Mauritius

Note: The 'Length of service as Director' for the Board runs from the time of first appointment to the 30 June 2021 for those who held office as at 30 June 2021.

CORPORATE GOVERNANCE REPORT

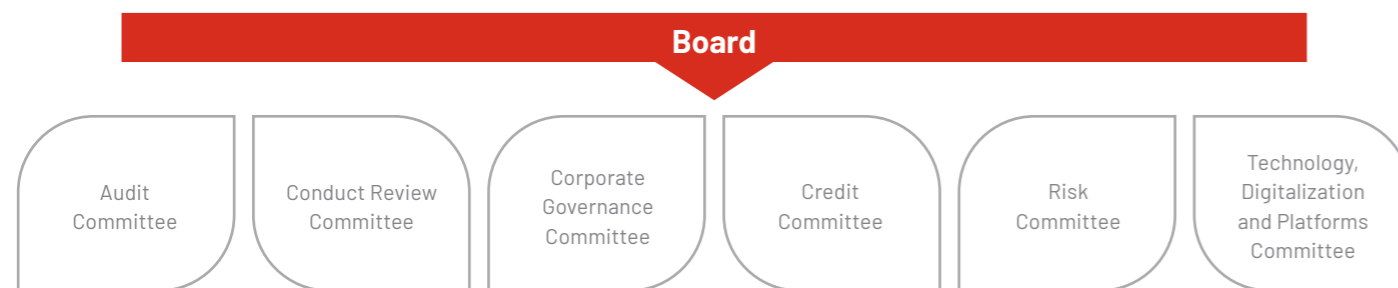
BOARD COMMITTEES

AfrAsia's Board Committees are set up to enable the Board to discharge its roles and responsibilities through delegated authority and ingrained reporting instruments necessary for managing, directing and supervising the management of the business and affairs of the Bank. During the year under review, no new committees were added to the current framework as the Board finds that the current structure is currently in line with the Bank's strategy and context.

The Bank has in place six comprehensively structured Board Committees for more in-depth analysis and evaluation of various issues as may be appropriate. As might be relevant, a report is made by each Board Committee's Chairperson and presented to the main Board for further discussion and/or approval by the latter.

Each Committee operates under its own approved Terms of Reference ("ToR") which are subject to reassessment as and when required. Of note, post year-end, the Corporate Governance Committee has been mandated to revise all existing ToRs and this exercise is currently on-going.

The Bank's Board Structure as at 30 June 2021 is as follows:



Audit Committee

The Committee consisted of three Independent Non-Executive Directors as at 30 June 2021. In line with its approved Terms of Reference, the Committee should meet at least once every quarter.

Composition:

The Committee shall consist of a minimum of three independent members.

Membership as at 30 June 2021:

The membership of the Committee shall be appointed by the Board from amongst the Independent Directors of the Bank. As at 30 June 2021, the Committee was in adherence with the membership rudiments.

Members	Date of appointment	Board status
Joan Jill Wan Bok Nale (Chairperson)	November 2020	Independent Non-Executive Director
Inderjit Singh Bedi	October 2020	Independent Non-Executive Director
Giriraj Sinh Jadeja	October 2020	Independent Non-Executive Director

Note: Thierry Vallet, Interim CEO, is invited as and when required. Jennifer Jean-Louis, Chief Financial Officer, Anil Fangoo, Group Head Compliance and MLRO, and Kristy Ballah, Head of Internal Audit, are also in attendance in the Committee for their relevant sections.

Meetings Held
8

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Audit Committee (Cont'd)

Fundamental functions comprise:

General

- Ensuring that there is an open avenue of communication between the Head of Internal Audit, the Head of Compliance, the External Auditors and the Board of Directors;
- Reviewing annually and, if necessary, propose for formal Board adoption, amendments to the Committee's Terms of Reference;
- Considering, in consultation with the External Auditors and the Head of Internal Audit, the audit plans and scope, frequency of the External Auditors and Head of Internal Audit, ensuring the co-ordination of audit effort is maximised;
- Performing such additional duties as may be assigned to it by the Board of Directors;
- Reporting to the Directors on the conduct of its responsibilities, with particular reference to the appointment, powers and duties of auditors, as per section 39 of The Banking Act 2004 (amended 12 August 2021);
- Reviewing the unaudited/limited audited financial statements and audited financial statements of the Bank before they are approved by the Board of Directors;
- Reviewing the unaudited or limited audited financial statements of AfrAsia Investments Limited (AIL) before they are approved by the Board of Directors;
- Reviewing such transactions which could adversely affect the sound financial condition of the Bank as the auditors or any officers of the Bank may bring to the attention of the Committee or as may otherwise come to its attention; and
- Ensuring that the Bank complies with regulatory requirements.

Financial Statements

- Examining, reviewing and challenging the quality and integrity of the financial statements of the Bank, including External Auditor's report, annual and half-yearly reports, interim reports and any other formal announcement relating to the organisation's financial performance;
- Reviewing and reporting to the Board on significant financial reporting issues and judgement which these financial statements contain, having regards to matters communicated to the Committee by the Auditors;
- Reviewing with management any significant difficulties or disputes encountered during the audit;
- Reviewing other matters related to the conduct of the audit which are to be communicated to the Committee under The Banking Act 2004 (amended 12 August 2021), The Companies Act 2001 of Mauritius and International Financial Reporting Standards;
- Overseeing appropriateness of the process, models and the assumptions made for IFRS 9, their impact on financial statements and to satisfy themselves that the dynamic nature of calculating and reporting the Probability of Default and the Expected Credit Loss is maintained, as per the requirements of the Bank of Mauritius; and
- The Audit Committee should try and meet or convene by phone at least one week before the formal review of audited annual financial accounts which are recommended to the Board for approval, so that any important issues which need to be discussed with management and the external auditors are given sufficient time for resolution.

Internal Control

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

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Audit Committee (Cont'd)

External Audit

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

Internal Audit

- Reviewing and approving, where possible in advance of the event, the appointment, replacement, reassignment, or dismissal of the Head of Internal Audit;
- Considering and reviewing with management and the Head of Internal Audit:
 - Any difficulties encountered in the course of internal audits and any restrictions placed on internal audit scope of work or access to required information or personnel;
 - The audit plan of future audits to be conducted;

Compliance

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

- Satisfy themselves that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Bank (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity;
- Monitor the external auditors' compliance with relevant ethical and professional guidance on the rotation of external audit partner, the level of fees paid by the Bank compared to the overall fee income of the firm, office and partner and other related requirements;
- Assess annually the qualifications, expertise and resources of the external auditors and the effectiveness of the external audit process, which shall include a report from the external auditors on their own internal quality procedures; and
- Evaluate the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of withdrawal of the external auditors from the market in that evaluation.

- Meeting regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the external auditor's remit and any issues arising from the external audit.

- The internal auditing department's budget and staffing; and
- Any changes which have been required in the previously approved audit plan.
- Approving the remuneration of the Head of Internal Audit.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Conduct Review Committee

The Committee consisted of three Independent Non-Executive Directors as at 30 June 2021. In line with its approved Terms of Reference, the Committee should meet at least once every quarter.

Composition:

The Committee shall consist of a minimum of three independent members.

Membership as at 30 June 2021:

The membership of the Committee shall be appointed by the Board from amongst the Independent Directors of the Bank. As at 30 June 2021, the Committee was in adherence with the independency requirements.



Members	Date of appointment	Board status
Inderjit Singh Bedi (Chairperson)	October 2020	Independent Non-Executive Director
Giriraj Sinh Jadeja	October 2020	Independent Non-Executive Director
Joan Jill Wan Bok Nale	November 2020	Independent Non-Executive Director

Note: Sevami Moonien, Head of Credit Risk and Rakesh Seesurn, Head of Risk, are in attendance in the Committee for their relevant sections.

Non-adherence:

The Conduct Review Committee was in non-adherence vis-à-vis its ToR as the current Chairperson of the Committee is also the Chairperson of the Board and of the required meeting quota. However, all approvals were done by circulation of resolutions for which relevant executives of the Bank were invited to add their comments and guidance to

Committee members to assist in their deliberations and quarterly presentation were made by the Chairperson. This non-adherence will be remedied with the re-composition of the Committee to ensure compliance following on from an impending update and revision to the current terms of reference.

Fundamental functions comprise:

- Having the mandate to require management to establish policies and procedures to comply with the requirements of the Bank of Mauritius' "Guidelines on Related Party Transactions";
- Reviewing and approving credit exposures to related parties;
- Ensuring market terms and conditions are applied to all related party transactions;
- Reviewing the practices of the financial institution to ensure that any transaction with related parties that may have a material effect on the stability and solvency of the bank is identified and dealt within a timely manner; and
- Reporting periodically and in any case not less frequently than on a quarterly basis to the Board of Directors on matters reviewed by it, including exception on policies, processes and limits.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Corporate Governance Committee

The Committee consisted of one Independent Non-Executive Directors and three Non-Executive Directors as at 30 June 2021. In line with its approved Terms of Reference, the Committee should meet at least twice a year.

The Committee was required to meet frequently throughout the financial year because of matters dealing with compensation and employee evaluation, Committee terms of reference, personnel issues and other out of ordinary course matters.

Composition:

The Committee shall consist of at least two members.

Membership as at 30 June 2021:

The membership of the Committee shall be appointed by the Board from amongst the Directors of the Bank and shall be composed of a majority of Non-Executive Directors. As at 30 June 2021, the Committee was in adherence with the membership rudiments.

Meetings Held
17

Members	Date of appointment	Board status
Inderjit Singh Bedi (Chairperson)	October 2020	Independent Non-Executive Director
Jan Fredrik Louis Gaëtan Boullé	October 2020	Non-Executive Director
Brian Adam Davis	October 2020	Non-Executive Director
Aslam Kanowah	October 2020	Non-Executive Director

Note: Thierry Vallet, Interim CEO, is in attendance and non-voting. Executives and outside advisors (Compliance, Human Resources and Legal) were in attendance for meetings as required for the deliberations of the Committee.

Fundamental functions comprise:

- To determine, agree and develop the Bank's general policy on corporate governance in accordance with the recommendations of the Code of Corporate Governance;
- To ensure that disclosures on corporate governance whether in the annual report or on an ongoing basis, are made in accordance with the principles of the Code of Corporate Governance;
- Preparing the corporate governance report to be published in the annual report;
- To determine, agree and develop the Bank's general policy on executive and senior management remuneration;
- Determining specific remuneration packages for Executive Directors of the Bank, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives pensions and other benefits;
- Ensuring that compensation is consistent with the Bank's culture, objectives and strategy determine the level of Non-Executive and independent Non-Executive Directors fees to be recommended to the shareholders at the meeting of shareholders;
- Determining any criteria necessary to measure the performance of Executive Directors in discharging their functions and responsibilities;
- Ensuring a review, at least annually, of the current Directors' performance and attendance at Board and Committee meetings;
- Review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- Ensuring that the right balance of skills, expertise and independence is maintained;
- Identifying and nominate candidates for the approval of the Board to fill Board vacancies as and when they arise, as well as put in place plans for succession, in particular for the Chairperson and Chief Executive Officer;
- Ascertaining whether potential new Directors are fit and proper and are not disqualified from being Directors (prior to their appointment);
- Making recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of 70;
- The Committee will liaise with the Board in relation to the preparation of the Committee's report to shareholders, as required;
- Reviewing and advising on the remuneration policy of the Bank;
- Reviewing the annual corporate social responsibility policies and related budgets; and Ensuring that the Board members receive thorough orientation on Board governance and key strategic issues facing the financial institution.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Credit Committee

The Committee consisted of two Independent Non-Executive Directors and two Non-Executive Directors as at 30 June 2021. In line with its approved Terms of Reference, the Committee should meet at least four times a year.

**The 4 meetings being referred pertain to the quarterly meetings. The Committee also had weekly meetings as further explained below.*

Weekly Credit Committee held:

During the financial year under review, the members of the Credit Committee met to discuss and approve credit files on a weekly basis. The Bank has set credit limits for executive approval at a level which necessitates the involvement of Credit Committee in many files. These limits are under review so as to allow the executive management to take more independent action on files. The Bank is looking to expand the experience base of its

credit experts to permit this change. The approvals granted are then ratified in the quarterly Credit Committee meetings referred above. From December 2020 to June 2021, there were 23 such meetings held. The frequency of these meetings were necessary by requirement to ensure rigorous debates on credit matters were applied instead of by circulation.

Composition:

The Committee shall consist of at least four members.

Membership as at 30 June 2021:

The membership of the Committee shall be appointed by the Board from amongst the Directors of the Bank and shall be composed of at least 50% of Non-Executive Independent Directors. As at 30 June 2021, the Committee's membership is equally represented between Non-Executive and Independent Non-Executive Directors; this adheres to the minimum of a 50% representation of Non-Executive Independent Directors in line with the membership rudiments.

Meetings Held
4

Members	Date of appointment	Board status
Inderjit Singh Bedi (Chairperson)	October 2020	Independent Non-Executive Director
Jean-Raymond Rey	November 2020	Non-Executive Director
Christian St-Arnaud	October 2020	Non-Executive Director
Joan Jill Wan Bok Nale	November 2020	Independent Non-Executive Director

Note: Thierry Vallet, Interim CEO, is in attendance but is a non-voting member. Sevami Moonien, Head of Credit Risk and Rakesh Seesurn, Head of Risk are also in attendance in the Committee for their relevant sections. Head of Businesses are also in attendance as and when required.

Fundamental functions comprise:

- Oversee the credit risk management of the Bank, including reviewing the loan portfolio and monitoring of large credit exposures;
- Approving/reviewing the credit risk policy and lending guidelines at least once a year;
- Approving/declining credit applications in accordance with the Bank's Credit Risk Policy when exceeding limits delegated to Management Credit Committee;
- Reviewing and approving any deviations from the Bank's Credit Risk Policy;
- Ensuring that management establishes adequate credit assessment processes and effective controls to identify any deterioration in the loan portfolio;
- Approving any delegation of credit approval authority to Head of Credit Risk and Management Credit Committee;
- The monitoring of impaired Credit and overall level of provisioning needs to be approved by both Credit Committee and Risk Committee; and
- Reviewing of Restructured facilities which shall be approved by both Credit Committee and Risk Committee.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Risk Committee

The Committee consisted of one Independent Non-Executive Directors and three Non-Executive Directors as at 30 June 2021. In line with its

approved Terms of Reference, the Committee should meet at least once every quarter.

Composition:

The Committee shall consist of at least three members.

Membership as at 30 June 2021:

With the exception of the CEO, the membership of the Committee shall be appointed by the Board from amongst the Non-Executive Directors and of at least one Independent Director of the Bank with a reasonable number should have an adequate familiarity with risk management of the Bank.



Members	Date of appointment	Board status
Giriraj Sinh Jadeja (Chairperson)	October 2020	Independent Non-Executive Director
Aslam Kanowah	October 2020	Non-Executive Director
Jean-Raymond Rey	November 2020	Non-Executive Director
Christian St-Arnaud	November 2020	Non-Executive Director

Note: Thierry Vallet, Interim CEO, is in attendance and non-voting. Rakesh Seesurn, Head of Risk, is also in attendance in the Committee for the relevant sections.

Non-adherence:

As at 30 June 2021, the Committee was not in adherence with the membership rudiments as there was no active CEO performing the

duties of an Executive Director. However, Thierry Vallet attended the Committee as and when required.

Fundamental functions comprise:

- The main focus of the Committee shall also be to ensure that the bank maintains a satisfactory liquidity and solvency ratio at all times;
- Reviewing the principal risks and have a global view on all risks which the bank is exposed which includes but not limited to credit, market, liquidity, operational, legal, compliance and reputational risks and the actions taken to mitigate the risks;
- Requirement of the Head of Risk to provide regular reports to the Committee, senior management and the Board on his/her activities and findings relating to the Bank's risk appetite framework;
- Formulating and making recommendations to the Board in respect of risk management issues including limits setting and risk appetite framework, which is well understood throughout the Bank. All corporate, operational, and financial policies should support the framework, which should be forward-looking and consistent with the Bank's short-term and long-term strategic plan. The framework should set benchmarks as to the acceptable risk limits, taking into account relevant financial, operational, and macroeconomic factors;
- Receiving periodic information on risk exposures and risk management activities from senior officers;

- Ensuring that the CEO facilitates training programmes for Directors and senior management to enable them to have a robust understanding of the nature of the business, the nature of the risks, the consequences of the risks being inadequately managed and the techniques for managing the risks effectively;
- Reviewing and approving discussions and disclosure of risks;
- Providing prior endorsement for appointment and removal of the Head of Risk who, among other things, shall provide assurance that the oversight of risk management is independent from operational management and is adequately resourced with proper visibility and status in the Bank;
- Ensuring independence of the Head of Risk from operational management without any requirement to generate revenues;
- Monitoring of large credits, impaired credits and the overall level of provisioning; and
- Reviewing of Restructured facilities which shall be approved by the sanctioning authority (one level higher) than the initial approver.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Cont'd)

Technology, Digitization and Platforms (TDP) Committee

The Committee consisted of two Independent Non-Executive Directors and three Non-Executive Directors as at 30 June 2021. In line with its

approved Terms of Reference, the Committee should meet at least once every quarter.

Composition:

The Committee shall consist of at least four members.

Membership as at 30 June 2021:

With the exception of the CEO, the membership of the Committee shall be appointed by the Board from amongst the Non-Executive Directors with a reasonable number should have an adequate familiarity with technology of the Bank.



Members	Date of appointment	Board status
Isabelle Marie Edith Alvares Pereira De Melo (Chairperson)	October 2020	Non-Executive Director
Brian Adam Davis	November 2020	Non-Executive Director
Giriraj Sinh Jadeja	October 2020	Independent Non-Executive Director
Aslam Kanowah	October 2020	Non-Executive Director
Joan Jill Wan Bok Nale	November 2020	Independent Non-Executive Director

Note: Nicolas Fabien Hardy, Chief Technology & Operations Officer, is in attendance and non-voting.

Non-adherence:

As at 30 June 2021, the Committee was not in adherence with the membership rudiments as there was no active CEO performing the duties of an Executive Director. However, Thierry Vallet attended the Committee as and when required.

The Committee, met only twice during the year under review, is a non-adherence of the meeting quota mandated by its Terms of Reference.

Fundamental functions comprise:

- Any strategies and framework related to Information Technology, Digitization and Platforms, including e-banking products and services;
- Any technology strategy, policies, implementation of IT and digitization initiatives/projects undertaken that are aligned with the business strategy;
- Any proposals, policies, standards, procedures and framework related to IT Security blue print in line with the security strategies of the Bank;
- Proper balance of IT investments for sustaining bank's growth, that IT investments represent a balance of risks and benefits, and that budgets are acceptable and monitored;
- Information and technology risks as identified during audit process are assessed and managed in line with relevant frameworks;
- Awareness about exposure towards IT risks and controls, effectiveness of management's monitoring of IT risks through oversight over the proceedings of the Information Security Management Committee;
- Appropriate business continuity arrangements are in place relating to information technology;
- On-going relevance of the Bank's information management and data governance framework and systems including those relating to compliance with the General Data Protection Regulations (and any analogous legislation);

- Appointment of any such person (employee, consultant or advisor) to undertake any specific projects or assignments in relation to the Bank's technology or digitalization initiatives/projects;
- On-going appropriateness and relevance of the Bank's policy for the allocation of resources required to deliver both the short-term and long-term information technology strategies;
- IT organisational structure complements the business model and its direction;
- Management has implemented processes and practices that ensure that the IT services deliver value to the business;
- Senior management's performance in implementing IT strategies and contribution of technology to businesses;
- Review the IT budget figures; and
- To undertake such other duties and responsibilities as determined by the Board of Directors of the Bank for this Committee.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

During the year under review, the Board held twenty meetings. The Board manages a schedule for the meetings with enough leeway for any additional issues arising to be included in the agenda as and when required in line with

the Bank's constitution. Decisions are also taken by way of resolutions in writing, assented and signed by all the Directors.

ATTENDANCE REPORT

The attendance report of the Directors at Board and Committee meetings for the year ended 30 June 2021 are tabulated below:

	Board of Directors	Audit Committee	Conduct Review Committee	Corporate Governance Committee	Credit Committee	Risk Committee	TDP Committee
No. of meetings held	20	8	-	17	4	5	2
Inderjit Singh Bedi (Chairperson)*	13	8	-	17	3	-	-
Jan Fredrik Louis Gaëtan Boullé	11	-	-	17	-	-	-
Brian Adam Davis	10	-	-	16	-	1	2
Isabelle Marie Edith Alvares Pereira De Melo	11	-	-	-	-	-	2
Afsar Azize Abdulla Ebrahim	13	-	-	-	-	-	-
Giriraj Sinh Jadeja	11	8	-	-	-	5	2
Aslam Kanowah	13	-	-	17	-	5	2
Jean-Raymond Rey*	10	-	-	-	2	5	-
Christian St-Arnaud*	10	-	-	-	3	4	-
Joan Jill Wan Bok Nale*	12	8	-	-	2	-	2
Sanjiv Bhasin (Ex-Chief Executive Officer) (Resigned on 28 February 2021)	13	-	-	-	-	2	-
Martin Caron (Resigned on 28 September 2020)	7	-	-	-	-	-	-
Dipak Chummun (Resigned on 2 October 2020)	7	-	-	-	1	-	-
Yves Jacquot (Resigned on 28 September 2020)	7	-	-	-	-	-	-
Philippe Jewtoukoff (Resigned on 28 September 2020)	7	-	-	-	1	-	-
Jean Juppín De Fondaumiére (Resigned on 31 August 2020)	7	-	-	-	-	-	-
Arnaud Lagesse (Resigned on 2 October 2020)	7	-	-	-	-	-	-
Arvind Madan Sethi (Resigned on 15 July 2020)	1	-	-	-	-	-	-
Mathew Welch (Resigned on 3 September 2020)	7	-	-	-	1	-	-
Francois Wertheimer (Resigned on 2 October 2020)	7	-	-	-	-	-	-

*These Directors also attended the Weekly Credit Committee meetings.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary aids and provides guidance to the Board of Directors in a number of key areas, for instance, corporate law, governance and corporate secretarial practice. The Company Secretary also helps the Directors to fulfill their duties while acting with the utmost integrity and independence in the best interest of the Bank.

It has also a key role to play in the application of corporate governance within the Bank.

The duties of the Company Secretary include but is not limited to the following:

- To provide the Board with guidance as to its duties, responsibilities and powers;
- To inform the Board of all legislation relevant to or affecting meetings of shareholders and Directors and reporting at any meetings and the filing of any documents required of the Bank and any failure to comply with such legislation;
- To ensure that minutes of all meetings of shareholders or Directors are properly recorded and all statutory registers be properly maintained;
- To certify in the annual financial statements of the Bank that the Bank has filed with the Registrar of Companies all such returns as are required of the Bank as per the laws and regulations;
- To ensure that a copy of the Bank's annual financial statements and the annual report are sent to every person entitled to such statements or report in accordance to the laws and regulations;
- To ensure that there is a good communication flow within the Board, the Board Committees and between the management and the Non-Executive Directors; and
- To advise the Board on all governance matters.

From July 2020 till May 2021:

During the above period the secretarial functions were done by Neeven N. Parsooramen and Usha Bhurtun as alternate company secretary.

Neeven N. Parsooramen is a Barrister-At-Law duly admitted to the Roll of the Supreme Court of Mauritius and also admitted to the bar of England and Wales. He read for a B.A in Law & Accounting and Finance (Hons) and also an LLM in International Economic and Trade Law in the UK. Having been admitted at the bar of Mauritius since 2011, he has been practicing as a barrister since and appears regularly before the courts of Mauritius. Neeven has a growing litigation practice where he appears regularly as counsel in commercial and civil matters.

Neeven also provides corporate and commercial legal advice in domestic and cross-border transactional matters. Neeven is also appointed as Director to a number of Board of Directors and also act as Company Secretary of a number of companies.

From May 2021 till date:

Subsequently, on 17 May 2021, the Bank selected Jennifer Jean-Louis to serve as Company Secretary alongside her position as CFO. This appointment received all regulatory approvals, including the approval of BOM. Jennifer's profile can be found under the 'Senior Management Team Profile' segment above. The Bank continues to seek a new permanent Company Secretary.

Usha Bhurtun is a practising Barrister-At-Law, who specialises in Commercial and Civil Litigation. Usha read Law in England, and holds an LL.B(Hons) from the London School of Economics and Political Science (L.S.E) and an LL.M with Distinction, from City Law School, London. She has been admitted to the Bar of England and Wales in 2015 and to the Bar of Mauritius in 2016.

Usha is regularly instructed to appear before all the Courts of Mauritius and acts as junior Counsel on behalf corporations and private clients, in matters of commercial disputes and civil claims.

Neeven tendered in his resignation as Company Secretary effective December 2020; upon request of the Board, he continued to provide his services until the onboarding of an appropriate internal Company Secretary. Subsequently, both Neeven and Usha resigned with effective date on 05 May 2021.

CORPORATE GOVERNANCE REPORT

PRINCIPLE THREE – DIRECTOR’S APPOINTMENT PROCEDURES

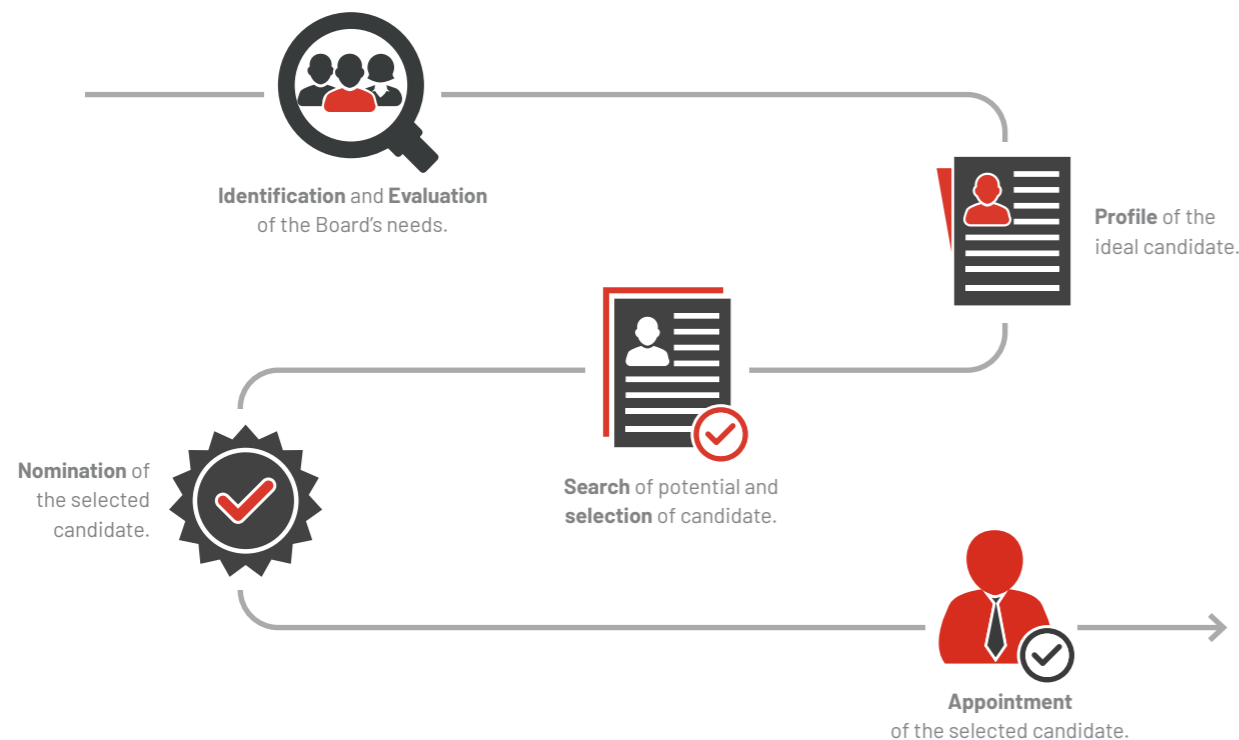
BOARD MEMBER APPOINTMENT AND RE-APPOINTMENT

The Board has mandated the Corporate Governance Committee to select and review candidates of the proposed directorship guided by legal and regulatory requirements. Candidates appointment should be conducted with appointments being made, on merit, against objective criteria in relation to skills, knowledge, experience, independence and gender balance which will add to the benefits of diversity on the Board.

Once the selection process has been completed, the Corporate Governance Committee makes its recommendation to the Board for approval.

For the purpose of filling a casual vacancy, the Board may approve the proposal of the Corporate Governance Committee. As such, the proposed Director shall stay in office until the next annual meeting whereby he/she can be appointed by the shareholders.

The Board members’ selection and nomination process can be classified into the main steps illustrated below:



The newly appointed Director receives a Letter of Appointment which contains the following main details:

- Time Commitment;
- Roles and Duties;
- Outside Interests;
- Confidentiality;
- Price Sensitive Information and Dealing in the Bank’s Shares;
- Induction;
- Review process; and
- Insurance.

Following letters received from BOM dated 19 August 2020 and 28 August 2020, enjoining the Bank to recompose its Board of Directors, a special meeting of shareholders was convened on 29 September 2020, wherein 9 new directors were appointed. Sanjiv Bhasin remained as the Executive Director. Subsequently, the Board appointed Joan Jill Wan Bok Nale to bring the total number of directors to 11 board members.

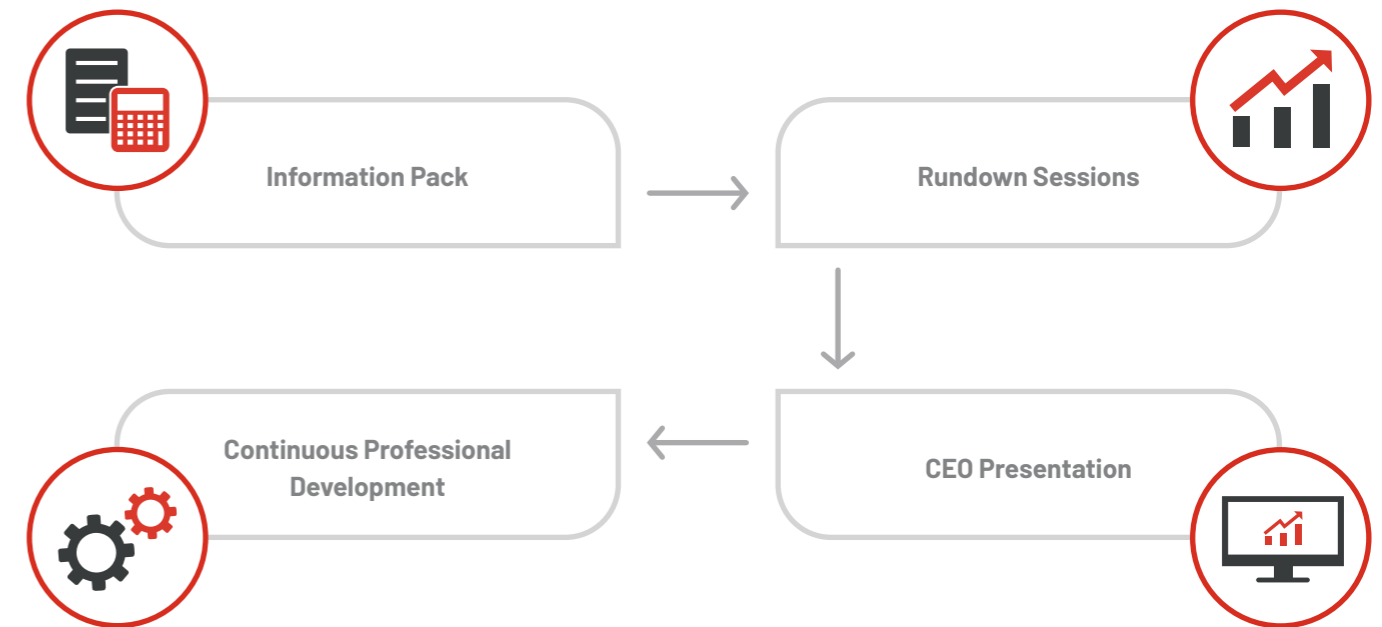
On 9 August 2021, the Board appointed a new Independent Non-Executive Director, Fiorangelo Salvatorelli to serve on the Board. Therefore, post the early retirement of Sanjiv Bhasin on 28 February 2021, the total number of directors consisting the Board as at date is of 11 members.

CORPORATE GOVERNANCE REPORT

INDUCTION AND PROFESSIONAL DEVELOPMENT

Following appointment on the Board, the Directors receive an extensive and formal tailored induction training to familiarise themselves with the activities of the Bank including training relevant Money Laundering/Terrorist Financing risk. In addition to receiving an information pack, the Directors also get accustomed with the Board Charter and Terms of Reference of the Board sub-committees and their statutory duties and obligations.

The Chairperson ensures that the development needs of the Directors are identified and consequently appropriate training is provided to continuously update their skills and knowledge.



In line with continuous professional development, the Directors attended the Webinar: Understanding Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT) and Audit Committee Guidelines for evaluating a whistleblowing system. Moreover, on a quarterly basis, the Directors receive

an update on any regulatory change, including summary of any new BOM Guidelines or any change to existing BOM Guidelines or Act relevant to the banking and financial services sector.

SUCCESSION PLANNING

In accordance with its Terms of Reference, the Board is responsible for the succession planning of the Board, the Chief Executive Officer and Senior Management of the Bank.

The Board has mandated the Corporate Governance Committee to put in place the succession plans, especially that of the Chairperson and of the CEO. Same is formalised in the Terms of Reference of the Corporate Governance Committee.

The Corporate Governance Committee shall be responsible for the identification and nomination of potential candidates.

Following the early retirement of Sanjiv as from 28 February 2021, the Board has been actively searching for the next CEO, in line with same, the Committee has engaged the necessary procedures to find the right candidate with the most optimal profile to fit this position. Meanwhile, Thierry Vallet, is acting as Interim CEO in the leadership and management of the Bank.

CORPORATE GOVERNANCE REPORT

PRINCIPLE FOUR – DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

LEGAL DUTIES

All Directors, including any alternate Director, are fully knowledgeable of their fiduciary duties as laid out in The Companies Act 2001 of Mauritius.

CODE OF ETHICS FOR THE BOARD

The Bank has a Code of Ethics for its Board; same is available on the Bank's website.

(<https://www.afrasiabank.com/media/3187/code-of-ethics-Board-of-directors.pdf>)



The Board believes that it must lead by example and encourages the Bank's Senior Management, the staff and other relevant stakeholders to follow the Conduct and Ethics Policy and to act ethically. The Board monitors and evaluates compliance with its Code of Ethics as and when required.

BOARD APPRAISAL

The Board must undergo a performance appraisal exercise, in accordance with the National Code on Corporate Governance for Mauritius and BOM's "Guidelines on Corporate Governance". The Directors are requested to evaluate the Board on the following main criteria:

- The Board's size, composition and structure;
- The Board's roles, duties and responsibilities;
- The effectiveness of the Board and its Committees; and
- The role and function of the Chairperson.

The regular Board appraisal exercise is performed internally through the Company Secretary, under the leadership of the Chairperson. It is generally done via questionnaires and the results are presented to the Corporate Governance Committee and ultimately, to the Board once they are available. The remarks and recommendations received are shared with the Board to enable the Directors to take appropriate steps where necessary and possible.

However, no Board appraisal exercise has been performed for the year under review mainly due to the fact that the Board has recently underwent a change in directorship with the onboarding 10 new directors during the year under review. The Board is considering to perform a Board appraisal exercise in due course.

The recommendation of the Code revolving around the use of an external consultant for Board appraisal exercise has been noted for forthcoming assessments.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REMUNERATION AND BENEFITS

The Corporate Governance Committee acts as Nomination and Remuneration Committee as and when required and as part of its duties it determines, agrees, develops and reviews the Bank's general policy on executive and senior management remuneration.

The remuneration and benefits paid and payable to the Directors for the year ended 30 June 2021 are tabulated below:

Remuneration and benefits paid and payable (MUR'000)	Fixed	Variable	Exit	Total
Inderjit Singh Bedi (Chairperson)	4,342	440	-	4,782
Jan Fredrik Louis Gaëtan Boullé	349	960	-	1,309
Brian Adam Davis*	-	-	-	-
Isabelle Marie Edith Alvares Pereira De Melo	358	260	-	618
Afsar Azize Abdulla Ebrahim	358	200	-	558
Giriraj Sinh Jadeja	334	875	-	1,209
Aslam Kanowah	358	1,325	-	1,683
Jean-Raymond Rey	669	395	-	1,064
Christian St-Arnaud	760	475	-	1,235
Joan Jill Wan Bok Nale	669	850	-	1,519
Sanjiv Bhasin (Ex-Chief Executive Officer)(Resigned on 28 February 2021)	16,673	-	28,071	44,744
Martin Caron* (Resigned on 28 September 2020)	-	-	-	-
Dipak Chummun (Resigned on 2 October 2020)	493	180	-	673
Yves Jacquot (Resigned on 28 September 2020)	485	285	-	770
Philippe Jewtoukoff (Resigned on 28 September 2020)	485	455	-	940
Jean Juppín De Fondaumiére (Resigned on 31 August 2020)	1,100	-	-	1,100
Arnaud Lagesse (Resigned on 2 October 2020)	223	45	-	268
Arvind Madan Sethi (Resigned on 15 July 2020)	127	255	-	382
Mathew Welch (Resigned on 3 September 2020)	418	670	-	1,088
Francois Wertheimer (Resigned on 2 October 2020)	223	270	-	493

*The Director has opted to waive any compensation for acting as Director, partner or officer of AfrAsia Bank Limited.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REMUNERATION AND BENEFITS (Cont'd)

The table below sets out the fee structure for Non-Executive Directors:

Category of Member	MUR'000	Fee details
Chairperson	550	Fixed fee per month
Board Member	440	Fixed fee per annum up to 31 December 2020
	500	As from 1 January 2021, Fixed per annum for a maximum of 5 Board meetings
Additional fee to Board Member	50	As from 1 January 2021, Per attendance of any additional Board meetings
Committee Member	45	Per attendance
Additional fee to Credit Committee Member	540	Yearly
Additional fee to Credit Committee Member	15	Per attendance
Additional fee to Chairperson of Committee	10	Per attendance
Risk Committee Member being also a Credit Committee Member	25	Per attendance

The Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with organisational performance during the year.

Total remuneration and benefits received and receivable, by the Directors from the Bank and its subsidiary for the year ended 30 June 2021 were as follows:

	YEAR ENDED 30 JUNE 2021		YEAR ENDED 30 JUNE 2020		YEAR ENDED 30 JUNE 2019	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	Non-Exit	Exit				
The Bank						
AfrAsia Bank Limited	16,673*	28,071	19,691	20,272	21,444	17,975
The Subsidiary						
EKADA Capital Ltd (formerly known as AfrAsia Capital Management Ltd (Disposal on 25 January 2021))	4,520*	-	-	2,325	-	12,225

*The remuneration pertains for the period from 1 July 2020 to 28 February 2021 (Date of resignation).

**The remuneration pertains for the period from 1 July 2020 to 25 January 2021 (Date of disposal).

CORPORATE GOVERNANCE REPORT

DIRECTORS' SERVICE CONTRACTS WITH THE BANK AND ITS SUBSIDIARY

Thierry Vallet, Director of AfrAsia Investments Limited, has a service contract with the Bank expiring in June 2022.

DIRECTORS' SHARE INTEREST

The interests of the Directors in the securities of the Group and the Bank are maintained by the Company Secretary. As part of the appointment of a Director, the latter can choose to notify in way of writing to the Company Secretary their interests as well as their associates' interests in the securities of the Group and the Bank.

As at 30 June 2021, there were no Directors who held ordinary shares either directly and indirectly in the Bank.

CONFLICTS OF INTEREST

Conflicts of interest is a situation whereby the interest of a member of the Board or Management or one of the significant shareholders and/or one of their associates is or may be competing with or impeding on the interests of the Group and/or the Bank.

Any conflict or potential conflict of interest must be declared to the Board and/or Company Secretary. The conflicts of interest of Directors are generally recorded in a register maintained by the Company Secretary. The Interest Register is available for consultation to shareholders upon written request to the Company Secretary.

It is noted that for any Board and Committee meetings, the agenda contains a standard item whereby the Directors present are requested to declare any interest that they have or may have with respect to any of the matters to be discussed. Any declaration made has been recorded in the minutes accordingly and the conflicted Director has had to abstain from participating in the deliberations and from voting on the concerned matter.

The following principles are encouraged in relation to conflicts of interest:

- The personal interests of a Director or persons closely associated with the Director must not take precedence over the Bank and its shareholders, including the minority ones;
- Directors are required to avoid conflicts of interest and make full and timely disclosure of any conflicts of interest when exposed to same; and
- Directors appointed by shareholders are aware that their duties and responsibilities are to act in the best interest of the Bank and not for the shareholders who nominated them.

All information obtained by Directors in their capacity as Director to the Board of AfrAsia Bank Limited are treated as confidential matters and are not divulged to any other parties without the expressed authority of the Board.

CORPORATE GOVERNANCE REPORT

INFORMATION TECHNOLOGY AND IT SECURITY

The Bank's overall strategic direction is highly dependent upon its information technology management. Businesses are today rapidly embracing new technologies and modern ways of working. Historically, separate domains no longer have the luxury of operating in a vacuum. Business competitiveness depends on business-technology alignment. As employees spend more time using their personal devices on premise, interacting on social networks, and sharing information via file-sharing services, the Bank has to look for ways to ensure security and data preservation while safeguarding privacy of the users. Newer generations understand this intuitively: the volume of information created and consumed on mobile devices is growing exponentially, which is also changing and shaping the way individuals use and share information.

With technology innovating and evolving much faster than the speed of change in organisational cultures, as they extend out to cloud and mobile devices, IT teams have to radically change how they operate. Most important is how they offer their services, including how they procure products and services, manage technology and data assets, together with their own role within the organization within a certain framework. ABL's technology leadership plays a key role to embrace this trend to deliver efficient and effective information technology that enables business development. Collective decision-making can result in executive buy-in to help drive more business value from technology investments, however, policy enforcement can fall short when the organization lacks tools to monitor and manage compliance of the Bank policies. Serious efforts are required from executives to enforce the required policies.

REMUNERATION PHILOSOPHY

The goal of AfrAsia Bank Limited is to be recognized as an employer of choice and as well as the most trusted financial partner in Mauritius and across Africa. Remuneration is a key vehicle towards achieving this objective, encouraging and enabling the Bank's 400+ employees to deliver the best possible customer experience (CX) through enhanced employee experience (EX). Remuneration plays an essential role in attracting top-talent. On the path towards excellence, the best people are drawn from the broadest pool of applicants from both local and international markets. We offer a decent workplace in which the richness of their diversity and experience are both welcomed and valued by colleagues. The Bank promotes its culture through its values inculcating teamwork, a disruptive and innovative approach. AfrAsians are groomed to excel in their line of operations and expertise. Employees are encouraged to promote the highest ethical standards in their conduct, our internal policies promote integrity at all times and this is demonstrated through our overall business culture.

As part of its response to the evolving nature of cyber threats, ABL's IT Security team has implemented a comprehensive set of policies for information security, cyber security and technology risks that protect the confidentiality, integrity and availability of information created, processed, transmitted, stored and disposed by the Bank. The policies and procedures are posted on the bank's intranet, accessible to its employees. Regular security training and awareness campaigns are conducted to ensure that employees understand their roles in information protection and are equipped to detect or avoid situations that may compromise the ABL environment.

In this respect, the Board has established a formal Board Committee, namely the TDP Committee together with a set of governance policies which are implemented and regularly reviewed to manage, minimize the associated risks and align with the modern business world. The TDP Committee ensures that the Bank continuously seeks to foster a robust framework for the smooth running of its activities, together with adequate proficient resources and sophisticated infrastructure to manage the relevant risks and the business continuity of the Bank. The TDP Committee monitor and evaluate significant investments in information technology and expenditures. Along with the Board, the Bank's representatives may include the Chief Technology and Operations Officer, the Head of IT, the Head of Security and the Senior Digital and Agile Product Owner. As such continuous investments in people, technology and security is critical to upkeep with the competitive innovative landscape to remain relevant. The Committee also strive to support modern ways of working.

Refer to the Risk Management Report set out on [pages 104 to 136](#) of the Annual Report for information governance.

The Bank is currently performing a broad based review of our remuneration programme as an attempt to find the potential gap between 'where it is' and 'where it needs to be' and for so doing opted to use the services of Korn Ferry to bring about the effective change required in measuring, evaluating and benchmarking both skillset and mindset of our employees.

CORPORATE GOVERNANCE REPORT

REMUNERATION PHILOSOPHY (Cont'd)

Embedding culture in business and people processes

Cultural change at AfrAsia Bank Limited is a multi-year journey, with strong senior management commitment and a clear tone from the top. Our organisational values were revamped in 2017 in order to be more in line with employees, a majority of which are millennials and digital natives. To make our values remain tangible our induction was also revamped whereby newcomers are exposed to experiential learning of our values.

Moreover, refresher workshops are run on a regular basis for all employees where participants are given the opportunity to reflect and commit to living up the organisation's values. These sessions help explain how the values relate to the bank's vision, what the values and beliefs mean specifically in our everyday business transactions, client relationships and internal processes, and most of all how each employee can implement the values to bring about change in their department.

Attract and Retain Talent

All employees are assessed using the balanced score card as a performance management online tool. Employees are not only assessed as to what they do through their objectives but also as to how they do what they do through the values assessment. The Talent Management system is helping the Bank move to another level in its management of talent. Investment in learning

has been material and we believe in enhancing knowledge through soft and technical training and financial sponsorship to help towards growth in knowledge, skills and attitude. Quality of work life is key and work life integration is promoted along with flexible working arrangements.

RELATED PARTY FRAMEWORK

The Bank operates its assessment of its related parties through its Conduct Review Committee, which is guided by its own Terms of Reference and in accordance with BOM's "Guideline on Related Party Transactions". Refer to the Risk Management Report set out on [page 118](#) of the Annual Report under Related Party Transactions, Policies and Practices.

CORPORATE GOVERNANCE REPORT

PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL

BOARD

The Board leads the conduct of affairs and provides sound leadership to the executives of the Bank. It sets clearly defined policies and the Bank's risk appetite, which are then conveyed to the executives via their

delegated authorities to facilitate them to oversee the course of actions of the business. Additionally, the Board ensures that risks are being properly detected, managed and mitigated.

BOARD SUB-COMMITTEES AND EXECUTIVE MANAGEMENT

The fundamental responsibility of the Risk Committee ("RC") is advising the Board on the Bank's overall current and future risk appetite, overseeing senior management's implementation of the Risk Appetite Statement ("RAS"), reporting on the state of risk culture in the Bank and interacting with and overseeing the Head of Risk.

Internally, the Bank has established an Assets and Liabilities Committee ("ALCO") and an Impairment Committee ("IMC") that both report to the Risk Committee on their operations.

The duties of RC includes oversight of the strategies for capital and liquidity management as well as for all relevant risks of the Bank such as credit, market, operational and reputational risks, to ensure they are consistent with the stated risk appetite, all in compliance with BOM's guidelines and policies approved by the Board. In addition, the Risk Committee is responsible to ensure that the Bank maintains satisfactory liquidity and solvency ratio at all times. The Committee receives regular reporting and communication from the Head of Risk and other relevant functions about the Bank's current risk profile, current state of the risk culture, utilization against the established risk appetite and limits, limit breaches and mitigation plans.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT

The independent risk management function is a key component of the Bank's second line of defense. The risk management function, through its various clusters, monitors risk-taking activities and risk exposures in line with the Board-approved risk appetite, risk limits and corresponding capital or liquidity needs (i.e. capital planning).

Such autonomy is an essential component of an effective risk management function, as is having access to all business lines that have the potential to generate material risk to the Bank as well as to relevant risk-bearing subsidiaries. It also maintains its objectivity by being independent of operations and the Head of Risk have, without impediment, direct access to the Risk Committee chairperson/members.

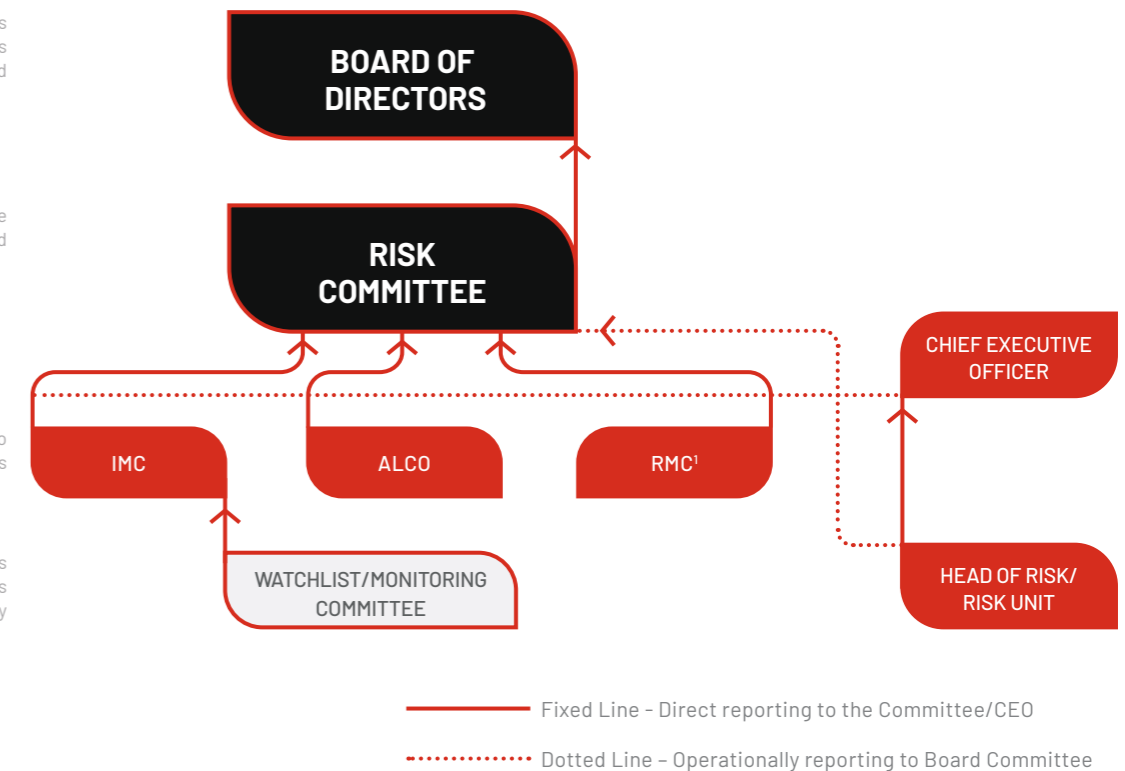
While it is common for risk management division to work closely with the various business units, the risk function remains sufficiently independent of the business units and is not involved in revenue generation.

The Board sets policies and is responsible to ensure that risks are being accounted and migrated properly.

The RC oversees the risk appetite and tolerance of the Bank and ensures that they are adhered.

IMC approves and recommends to BRC staging movements of clients and provisioning level.

Risk Unit creates, implements and maintains the risk practices across the Bank on a day-to-day basis.



¹ Risk Management Committee

The complete Risk Management Report is set out on on pages 104 to 136 of the Annual Report.

CORPORATE INTEGRITY AND WHISTLE BLOWING POLICY

The Bank has established a Corporate Integrity and Whistle Blowing Policy to promote an atmosphere of honesty and to encourage employees to conduct themselves in the best interests of the Bank. The applicability of this policy attaches itself to all the employees of the Bank irrespective of their locational, contractual and probational nature.

A copy of the Corporate Integrity and Whistle Blowing Policy is available on the Bank's website:

(<https://www.afrasiabank.com/media/3190/corporate-integrity-and-whistle-blowing-policy.pdf>)



CORPORATE GOVERNANCE REPORT

PRINCIPLE SIX – REPORTING WITH INTEGRITY

FINANCIAL

The Directors are responsible for preparing the financial statements in accordance with International Financial Reporting Standards, International Accounting Standards and The Companies Act 2001 of Mauritius. The Directors must ensure that the provisions of The Companies Act 2001 of Mauritius, The Banking Act 2004 (amended 12 August 2021) and Financial

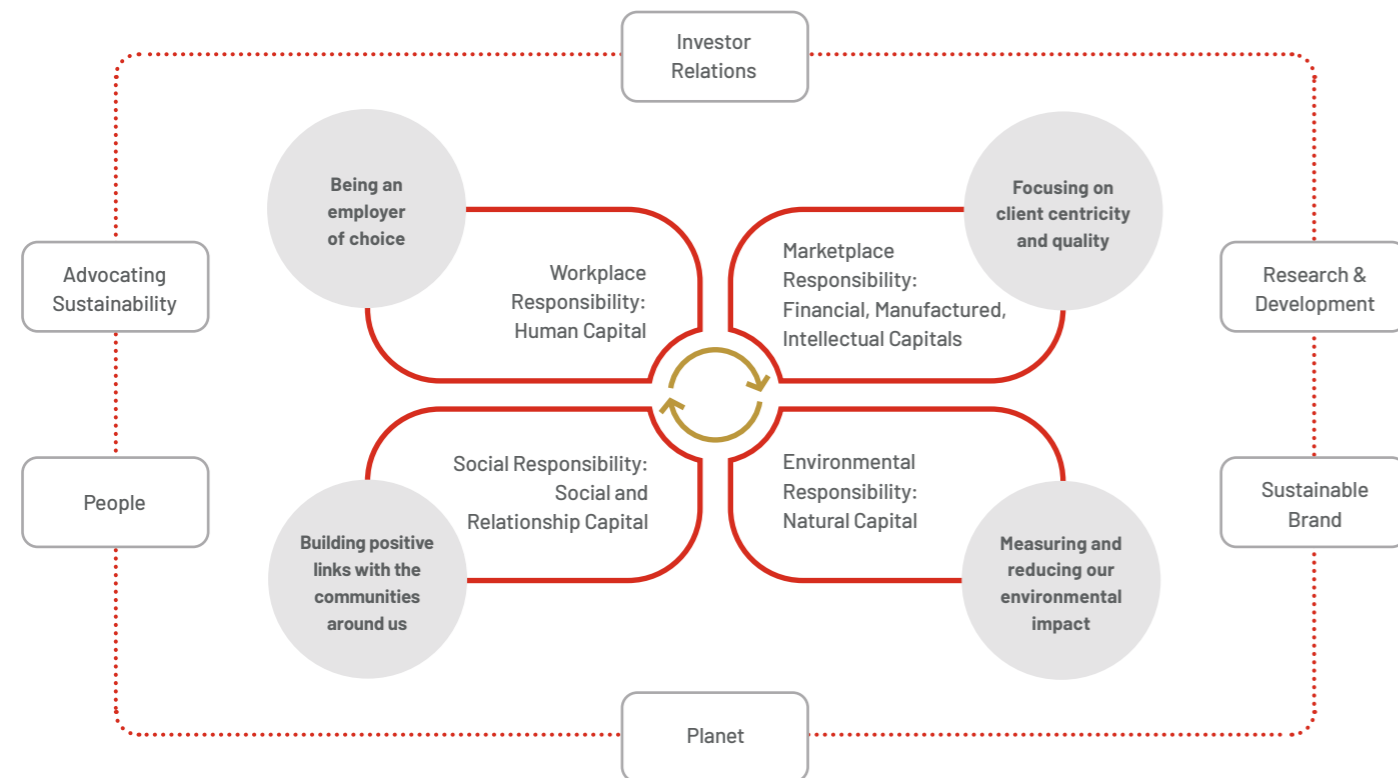
Reporting Act 2004 (amended 2020) are complied with. They must also ensure that the financial statements are free from errors, material misstatements or irregularities and that any non-adherence is disclosed, explained and quantified.

SUSTAINABILITY

The COVID-19 has offered an unprecedented opportunity for companies to move towards the integration of environmental, social and governance (“ESG”) in their management system. There is a global increase in awareness in regards to ESG and operational resilience amongst the private sector community. We, at AfrAsia Bank, have also taken this commitment to work on a 2030 Sustainability Strategy to contribute to a net zero carbon economy.

Looking back on the financial year 2020-2021, which has been disrupted by this crisis, we have to admit that many of the departmental projects had to be either postponed or adapted to the ‘new’ normal. For the third consecutive year, we have provided a separate sustainability report which details the Bank’s performance in each of its 4 pillars based on the Global Reporting Initiative (“GRI”) standards.

AfrAsia Bank’s 2021 sustainability strategy:



Furthermore, for the third-year consecutive, we are a proud member of the GRI community and participate regularly in dialogues and webinars to advance sustainability reporting standards.

The year 2021 has also brought new changes to the Sustainability and CSR department with a new Head joining the team. A new sustainability strategy is currently being developed and will be announced in the beginning of next year.

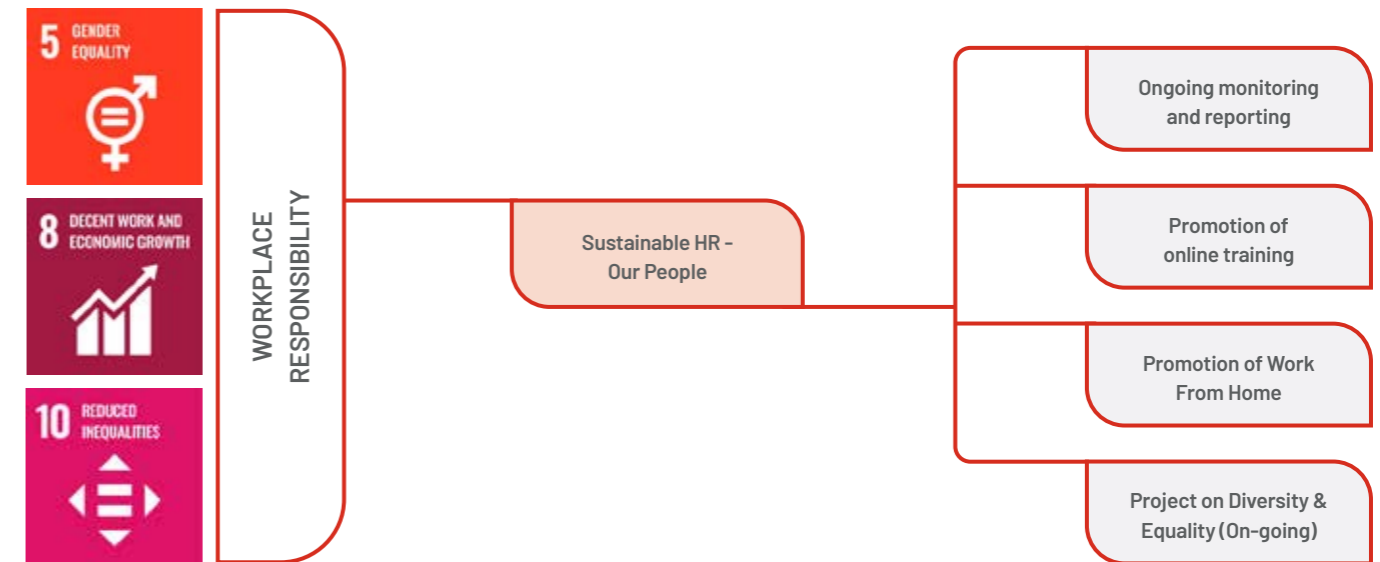
CORPORATE GOVERNANCE REPORT

SUSTAINABILITY (Cont'd)

WORKPLACE RESPONSIBILITY

Several projects are currently in progress under the aegis of the Human Resources (“HR”) department. With the COVID pandemic impacting our operations and day to day work, our main concerns were job retention and on-going training of our staff.

Overview of HR projects:



	FY 17 - 18	FY 18 - 19	FY 19 - 20	FY 20 - 21
Total Headcount	368	402	413	415
Average Hours Of Training	18	39	19.5	10.8
Average Hours Of Training (Male)	19	46	18.36	10.7
Average Hours Of Training (Female)	18	32	20.7	11
Turnover Rate (Full Time Employees)	9.48%	8.97%	11.1%	6.7%

Table 1: Snapshot of key performance indicators for workplace responsibility throughout the last 4 years

We strive to create a safe, inclusive and discrimination-free environment for all our staff through the various projects under the HR department and through the Health & Safety Committee.

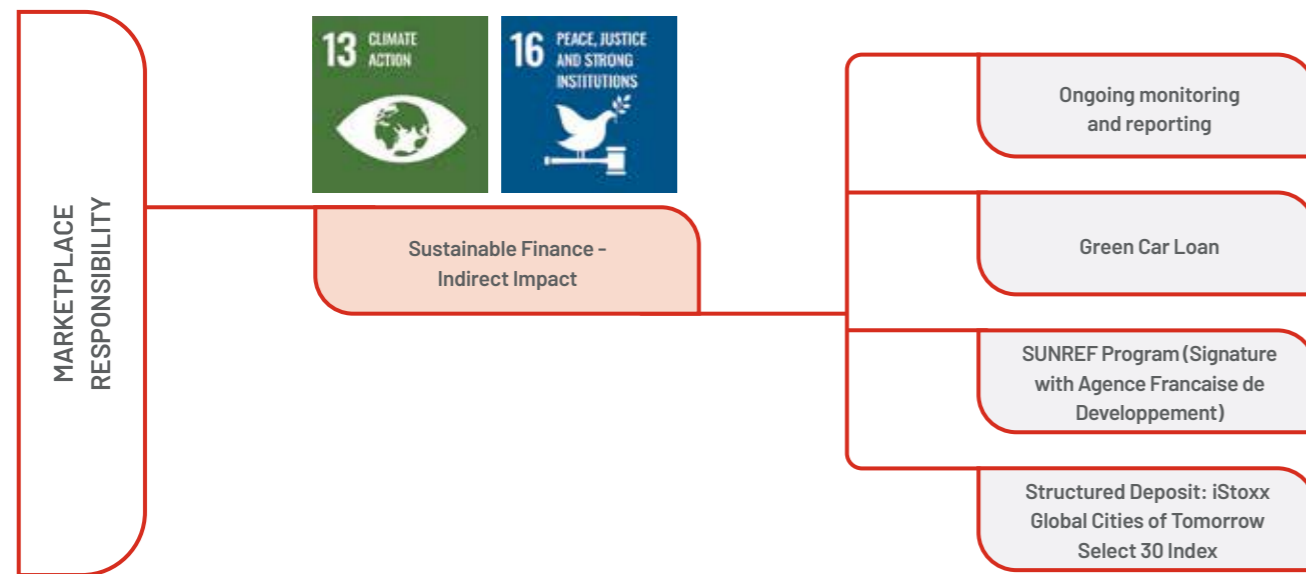
CORPORATE GOVERNANCE REPORT

SUSTAINABILITY (Cont'd)

MARKETPLACE RESPONSIBILITY

As a Bank, one of our major impact is through our financing. We have been steadily developing this pillar to provide our clients with sustainable financial products across the different business lines.

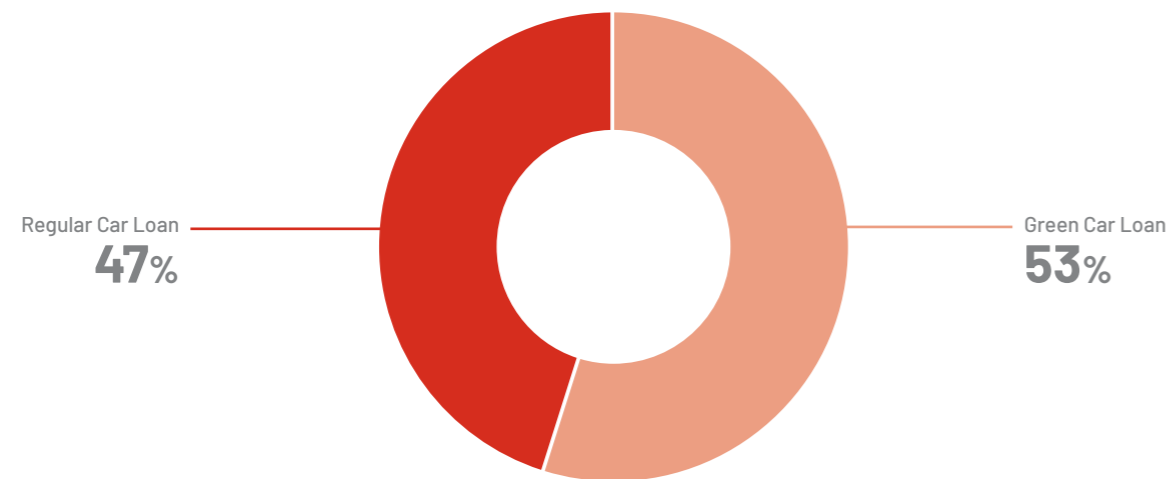
Overview of Sustainable Financing:



The financial year 2020-2021 has been critical for the development of sustainable financing at ABL. With the Bank joining the SUNREF program and the ongoing implementation of Environmental and Social

Management System ("ESMS"), we are looking to transform our entire credit portfolio. The treasury team has also started offering structured deposits based on sustainable criteria.

Snapshot of Green Car Loan Performance from July 2020 to June 2021:



As part of our Marketplace Responsibility Strategy, we also strictly adhere to all legal and statutory requirements (including in regards to prevention

of money laundering and financing of terrorism activities) and protect our client's data through stringent measures in place to prevent any breaches.

CORPORATE GOVERNANCE REPORT

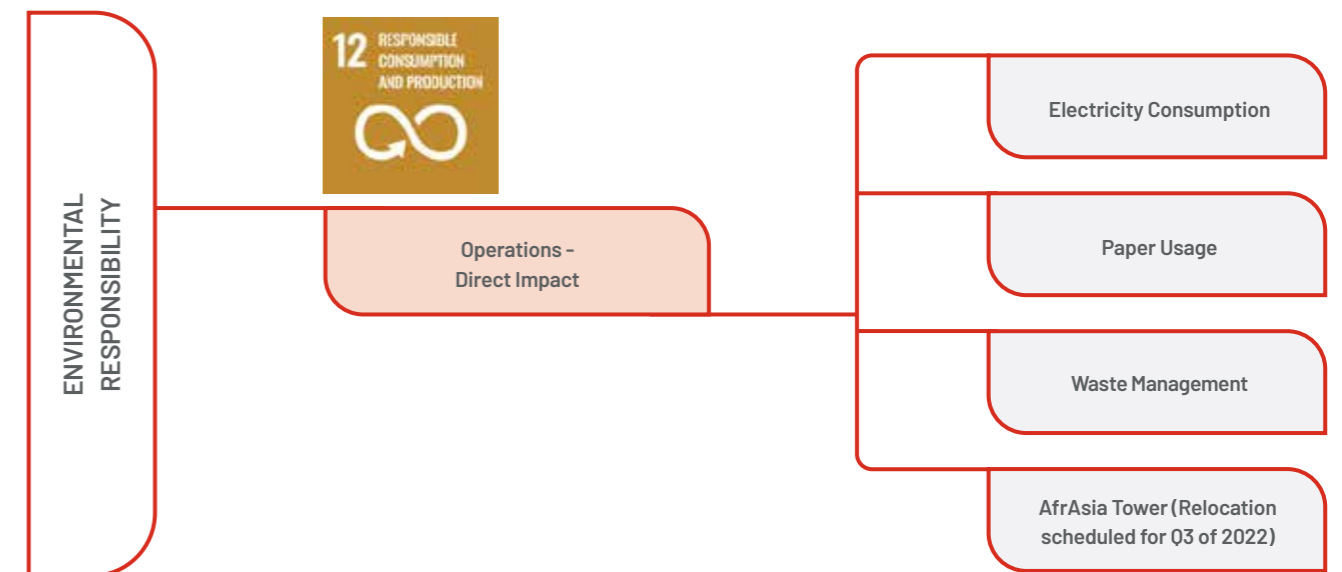
SUSTAINABILITY (Cont'd)

ENVIRONMENTAL RESPONSIBILITY

Aside from our credit portfolio, we are also looking into the management of our direct impact. With relocation of our premises scheduled for Q3 2022 to the AfrAsia Tower in the Tribeca Central Smart City, the Bank is aiming to provide an innovative future workspace as well as a greater operational to its

employees. The AfrAsia Tower will be an environmentally-advanced, energy-efficient and sustainable workplace, with a LEED certification based on international sustainability standards. Until then, we will continue to monitor our electricity consumption and paper usage.

Overview of projects under Environmental Responsibility:



Snapshot of key performance indicators for workplace responsibility throughout the last 4 years

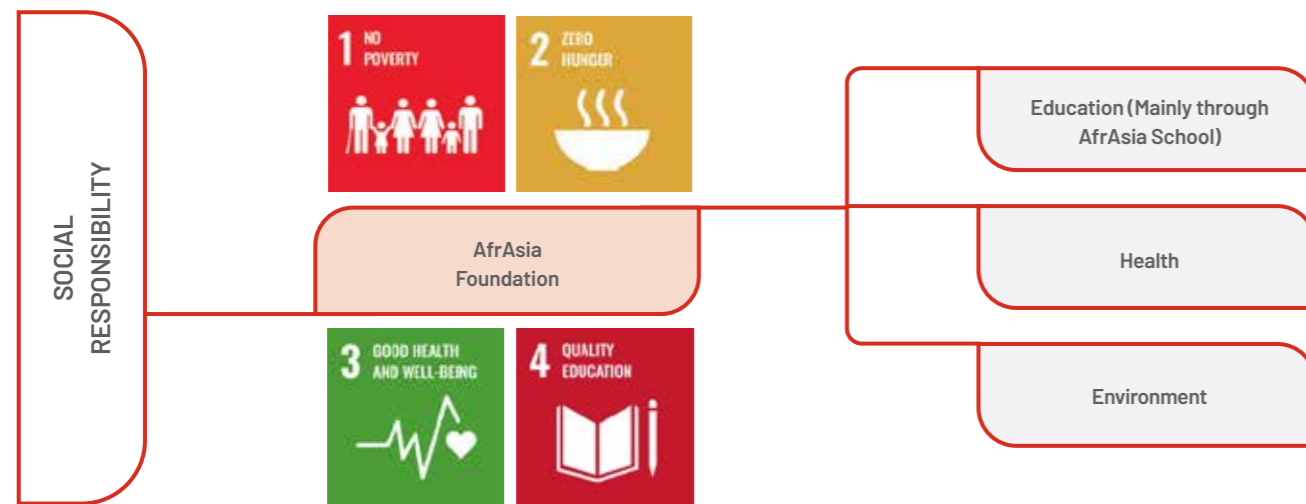
	FY 17 - 18	FY 18 - 19	FY 19 - 20	FY 20 - 21
Electricity Consumption At Ebene Office (KWH)	N/A	554,776	548,867	496,114
Paper Usage (Reams)	4,432	4,281	3,865	2,692
Quantity Of E-Waste Recycled (KG)	N/A	286	58	226

CORPORATE GOVERNANCE REPORT

SUSTAINABILITY (Cont'd)

SOCIAL RESPONSIBILITY

Overview of Social Responsibility at AfrAsia Bank:



ABL's social strategy is mainly managed through the AfrAsia Foundation, which is governed by a council, who is responsible for management of the funds. The accounts of the Foundation are also audited annually by an external auditor.

Overview of Projects by AfrAsia Foundation:

Education

- AfrAsia School
- Emergency Aid Support Programme (COVID-19)
- Sponsor an AfrAsia Kid
- Wish Tree

AfrAsia Golf Academy
(On hold due to the pandemic)

Health

- Cancer Awareness
- Support to Link to Life projects

Ripple Project

Bring back a Smile Initiative
(Distribution of special masks to hearing impaired children)

Environment

- The Wakashio Initiatives
- Phase 1 - Immediate actions and support
- Phase 2: Donation to Mahebourg Espoir beneficiaries
- Phase 3: In progress

CORPORATE GOVERNANCE REPORT

SUSTAINABILITY (Cont'd)

SOCIAL RESPONSIBILITY (Cont'd)

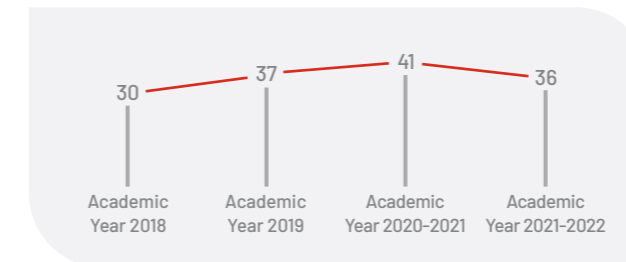
Overview of AfrAsia School:

The main project of the Foundation is AfrAsia School – Life Long Education Centre, in collaboration with the Non-Governmental Organisation (“NGO”), Ti Rayons Soleil. In addition to free primary education, the beneficiaries also receive support from a social worker for their families, food support

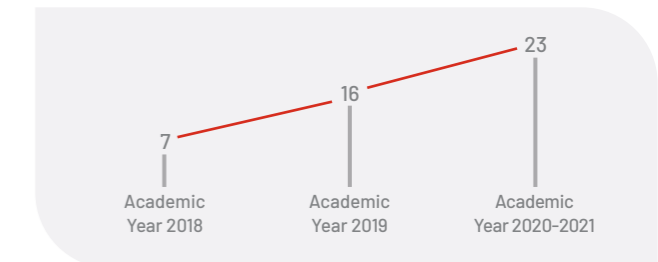
system, after school care as well medical and psychological supports. The COVID-19 pandemic largely disrupted the running of the pre-primary school and other programs. An Emergency Aid Support Programme was set up in March 2021 to provide food and basic necessities to our beneficiaries.



Number of children enrolled at AfrAsia School per academic year:



Number of graduates at AfrAsia School per academic year:



An overall decrease in number of children enrolled at AfrAsia School for the Early Childhood programme has been noted due to the following reasons:

- One special needs child (aged 5+ years) graduated and moved to a specialised Primary school in January 2021;
- One child has relocated to Souillac village; and

- 4 children graduated and moved to Grade 1 of primary school. They did not complete their full pre-primary year following the change in the school calendar (June 2021 instead of January 2021).

SDG 17: PARTNERSHIPS FOR THE GOALS

One of our key commitments is to create meaningful dialogues around sustainability in the local, regional and international communities. We do that through the following means:

- Membership of the United Nations Global Compact (“UNGC”);
- GRI Community membership;
- ABL is a founder and council member of the Global Compact Network for the Indian Ocean;
- Launch of Sustainability themed webinars: Digitalisation, ESG; and
- Members of the Business Mauritius (“BM”) Sustainability Network.

For further details on the outlook of AfrAsia Bank through the sustainability lenses, the full report is published on the Bank's website:

<https://www.afrasiabank.com/en/about/investors/sustainability-reports>.



The Annual Report is published in full on the Bank's website.

<https://www.afrasiabank.com/en/about/investors/annual-reports>



The financial statements are set out in Section B of the Annual Report.



CORPORATE GOVERNANCE REPORT

PRINCIPLE SEVEN – AUDIT

DIRECTORS' RESPONSIBILITIES

The Directors are accountable for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and all the requirements of The Companies Act 2001 of Mauritius, The Banking Act 2004 (amended 12 August 2021) and the

Financial Reporting Act 2004 (amended 2020) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

EXTERNAL AUDIT

The Bank launched a tender exercise in 2017 whereby the appointed audit firm was Deloitte. Subsequently, at the Board meeting held on 9 May 2019, it was resolved to renew the audit contract with Deloitte as external auditors of the Bank for the financial years ended 30 June 2020 and 2021, with the Bank reserving the right to review its decision at the end of each of the financial year end mentioned and subject to Deloitte's acceptance to renew the audit contract.

The Bank is required to comply with the prerequisites of The Banking Act 2004 (amended 12 August 2021) in respect of rotation of auditors after a period of 5 years. As per the Finance Act 2020, the Central Bank may, upon a request from a financial institution and on just and reasonable grounds shown, grant an approval in writing for the extension of the appointment of its firm of auditors for an additional period of not more than 2 years.

The Bank has initiated its tendering process in search of the next auditors.

Deloitte has served 5 years with the Bank. The Audit Committee evaluates the independence and effectiveness of the external auditor on a continuous basis before making a recommendation to the Board on their appointment and retention.

The fees for audit and other services were as follows:

	YEAR ENDED 30 JUNE 2021		YEAR ENDED 30 JUNE 2020		YEAR ENDED 30 JUNE 2019	
	Audit MUR '000	Other MUR '000	Audit MUR '000	Other MUR '000	Audit MUR '000	Other MUR '000
Deloitte						
The Bank						
AfrAsia Bank Limited	5,700	4,117*	8,400	6,426	7,200	3,711
Ernst & Young						
The Subsidiaries						
AfrAsia Investments Limited	327	25	314	329	196	280
EKADA Capital Ltd (formerly known as AfrAsia Capital Management Limited)	618	22	598	33	694	26

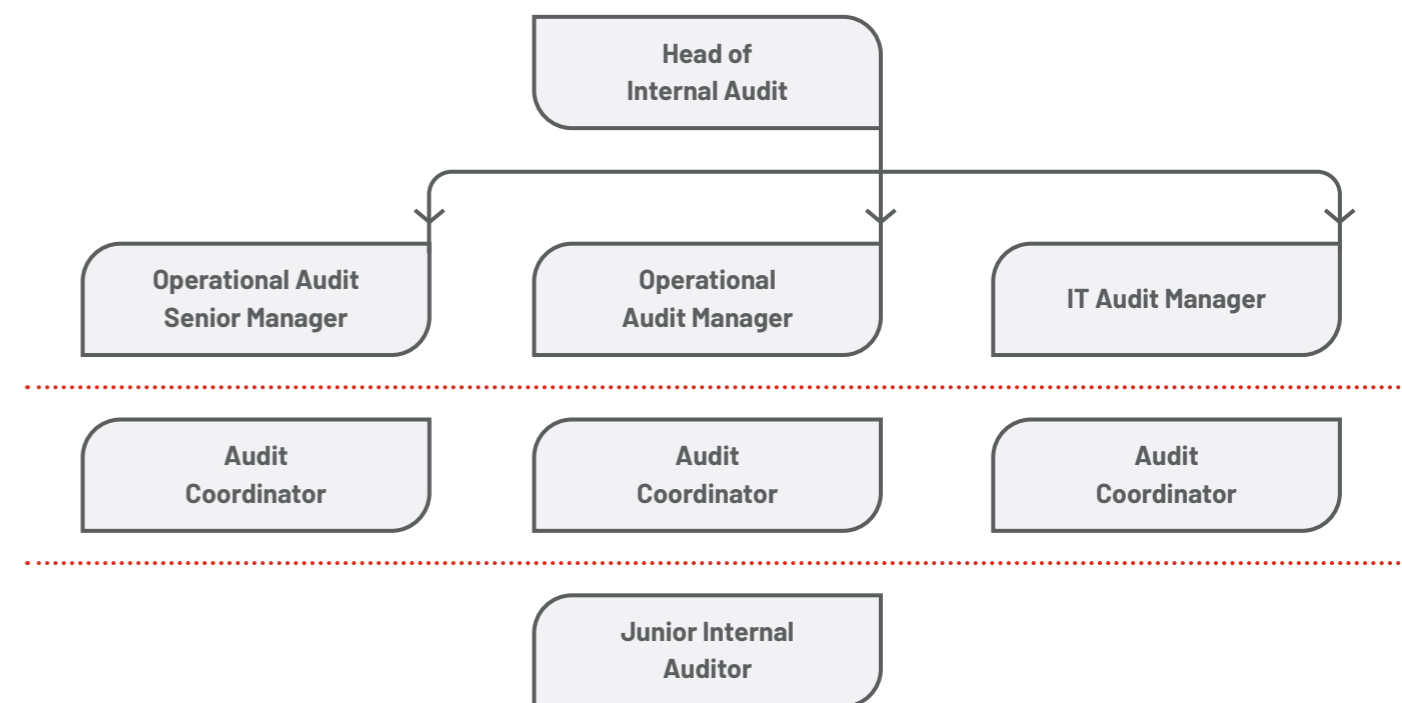
*Other services include limited review, internal control review, AML/CFT review and assurance reports.

CORPORATE GOVERNANCE REPORT

INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management,

control and governance processes. The internal audit function at ABL helps the Board and management maintain and improve the process by which risks are identified and managed and helps the Board discharge its responsibilities for maintaining and strengthening the internal control framework.



Independence of the internal audit team

The internal audit function in ABL remains independent of the activities audited and objective in its work. There have been no restrictions placed over the right of access by internal audit to the records, management or employees of the Bank as part of the audit procedures performed during the year under review. The Head of Internal Audit maintains a direct reporting line with the Audit Committee for direction and accountability and to the

Chief Executive Officer for administrative interface and support in line with good governance practices.

The Head of Internal Audit has regular access to the Chairperson of the Audit Committee. He attends quarterly meetings with the Audit Committee and more frequently when the need arises.

Qualifications and experience

Kristy Kumar Ballah, a Chartered Banker and also a Fellow of the Institute of Chartered Accountants in England and Wales with 16 years of experience in the auditing field heads the Internal Audit department. Prior to joining the Bank, he was the Group Internal Audit Manager at the Mauritius Commercial Bank. He started his career with PwC where he grew to become an Audit Manager. Over the years, the Head of Internal Audit had exposure to local organizations operating in diverse sectors and also had significant international exposure. He is well acquainted with strategy setting for risk

functions in Banks and risk management activities in general. The profile of the Head of Internal Audit is displayed on the Bank's website.

The Head of Internal Audit is supported by staff members with significant banking and auditing experience. The team includes members with "Big 4 firm" exposure and who are also members of professional bodies such as ICAEW, CBI, ACCA, CISA, STEP etc.

CORPORATE GOVERNANCE REPORT

INTERNAL AUDIT (Cont'd)

Implementation of the risk-based audit plan

The Internal Audit team implements the yearly risk-based audit plan approved by the Audit Committee. The audit frequency for identified processes is as follows:



The Financial Year 2021 Audit Plan

Delays in executing the FY 2020 audit plan as a result of the lengthy confinement linked to COVID-19 meant completion of same only happened in Quarter 2 of FY 2021. Given the cascading effect and considering that ad-hoc assignments, comprising fact finding and other assignments of an advisory nature, have been performed at the request of management during FY 2021, the target is to complete the latter audit plan by the end of October 2021.

The FY 2021 risk-based audit plan was approved by the Audit Committee and Internal Audit used amongst others use the following key criteria to assign inherent and residual risk ratings to the relevant processes in the Bank:

- Past audit findings and cumulative audit knowledge of controls design and performance;
- Financial impact;
- Volume of transactions;
- Whether the process is impacted by key regulatory requirements;
- Whether the process represents a key second line of defense function; and
- Recent or foreseen changes in management, structure, systems impacting the process.

The internal audit team provides varying degrees of assurance about the effectiveness of the risk management and control processes of selected activities and functions of the organization. The Internal Audit function does not believe that any deficiencies identified so far could at this stage, individually or collectively jeopardize the operations of the Bank.

It is worth mentioning that as at date, the majority of issues categorized as "critical" and "major" have been or are in the process of being addressed by management.

Any risk or deficiency in the system of internal controls revealed during audits performed have been reported in the respective reports issued at the end of the assignment. The audit report includes audit recommendations, management comments, action plan and timeline for implementation. Strict monitoring of implementation is done by Internal Audit and a periodic status is given to the Audit Committee.

Internal Audit also performs a close follow up on the implementation of recommendations in the management letter of the external auditors.

CORPORATE GOVERNANCE REPORT

PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

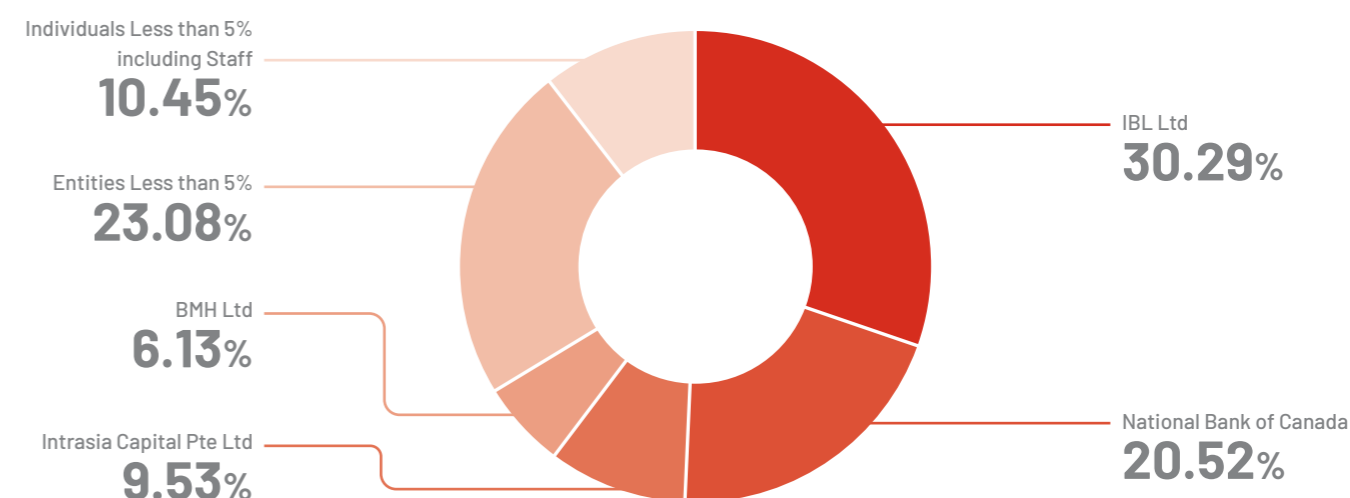
ABL's stakeholders are individuals or groups that have an interest in the Bank or are affected by its actions. The primary stakeholders of the Bank are employees and management, shareholders and investors, and government and regulatory authorities.

SHAREHOLDING STRUCTURE

AfrAsia Bank has a good mix of local and international private institutional investors of renowned reputation across various continents and had a capital base of MUR 9.1bn as at 30 June 2021. The Bank ensures that there

is proper and efficient information dissemination to all its shareholders and that the rights of minority shareholders are not neglected. It is noted that 0.29% of the Bank's shareholding is held by its staff.

The Bank's shareholding structure as at 30 June 2021 is as follows:



DIVIDEND POLICY

Dividends are proposed by management to its Board in line with the provisions of The Banking Act 2004 (amended 12 August 2021), the "Guideline on Payment of Dividend" issued by BOM, The Companies Act 2001 of Mauritius and the Bank's Constitution. Once the Board is satisfied with

Management's recommendation and the satisfaction of solvency tests, the Board may approve the payment of dividends, subject to the approval of BOM, after which dividends may be distributed to shareholders.

Dividend on Ordinary Shares

The Bank has achieved a satisfactory financial return to allow dividends of MUR 338.9m (MUR 3.00 per share), declared and paid during the year

under review (2020: MUR 429.3m that is, MUR 3.80 per share /2019: MUR 186.4m that is, MUR 1.65 per share). This can be summarised as follows:

Dividends on Ordinary Shares (MUR'm)			
	2021	2020	2019
Dividend paid	338.9	429.3	186.4

Dividend on Class A Shares

Dividend of MUR 66.2m were paid/payable for the 6 months ended 31 December 2020 and MUR 66.7m for the 6 months ended 30 June 2020 (MUR

73.7m were paid for the 6 months ended 31 December 2019 and MUR 73.7m for the 6 months ended 30 June 2019). This can be summarised as follows:

Dividends on Class A Shares - Series 1 and 2 (MUR'm)			
	2021	2020	2019
Dividend paid	132.9	147.4	147.1

CORPORATE GOVERNANCE REPORT

MATERIAL CLAUSES OF CONSTITUTION

Article 21.2 of the Bank's Constitution provides for a list of reserved matters which must be approved by special resolution of the voting shareholders of the Bank.

Restrictions concerning the disposal of shares are set out in Articles 15 and 16 of the Bank's Constitution. Such restrictions include the requirement to obtain the Board's approval in connection with the registration of share transfers.

SHAREHOLDERS' AGREEMENT

There is a Shareholders' Agreement ("SHA") signed on 01 December 2014. Three out of four shareholders who are parties to the agreement sent notices to terminate the SHA. One shareholder does not agree that the SHA has been terminated and has declared a dispute as regards to the said

termination of the SHA. The dispute has been referred to the International Chamber of Commerce ("ICC") for arbitration. The claim was heard in April 2021. The Bank, which is a signatory to the SHA, took a neutral position in the arbitration. The ICC has to give its award imminently.

SIGNIFICANT CONTRACTS

ABL has not entered into any significant contract with third parties during the financial year ended 30 June 2021.

MANAGEMENT AGREEMENTS

ABL has not entered into any management agreement with third parties during the financial year ended 30 June 2021.

GIFTS AND DONATIONS

The Bank has made MUR 0.015m of gifts and donations during the year ended 30 June 2021 (2020: MUR 2.0m/ 2019: MUR 0.8m). The year-on-year drop was mainly driven by lower marketing related initiatives for employee and client gifts in line with dampened economic activity.

POLITICAL DONATIONS

The Bank has not made any political donations during the year ended 30 June 2021 (2020: MUR 3.5m and 2019: Nil)

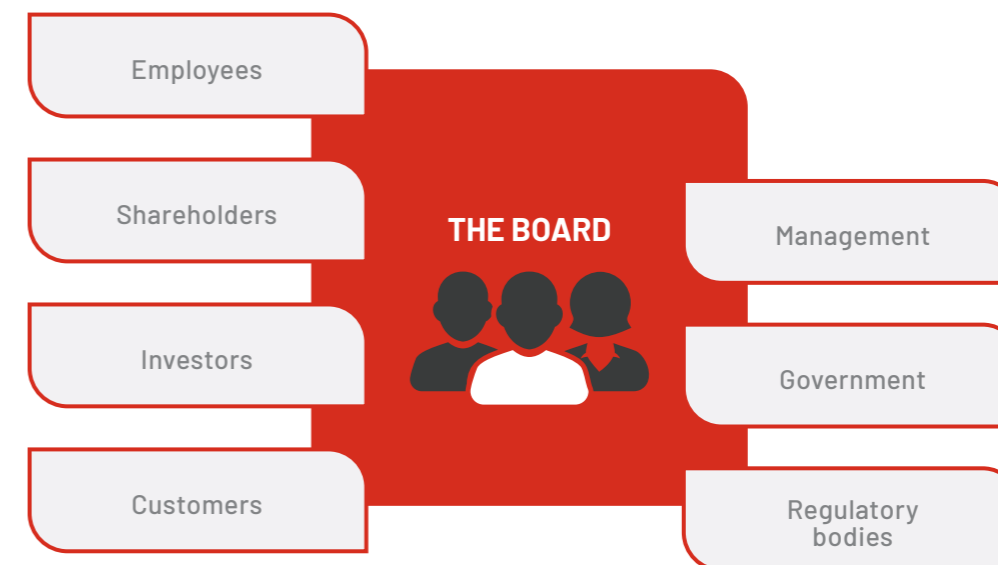
Related Party

ABL has entered into an Introducer Services Agreement with Intra Capital Pte Ltd during the financial year ended 30 June 2021.

For further details pertaining to related party transactions and balances relating to year ended 30 June 2021, please refer to the note 36 on "Related Party Disclosures" of the Annual Report.

CORPORATE GOVERNANCE REPORT

OUR KEY RELATIONSHIPS



EMPLOYEES AND MANAGEMENT

We continue to take a proactive approach towards our relations with primary stakeholders. When selecting suppliers, contractors or non-governmental organisations, we look for those that align closely to our values and areas of focus.

is going well and improving areas of concern. We regularly review how we communicate with our stakeholders to ensure it is still appropriate in an ever-changing fast-moving world.

We offer a variety of ways for stakeholders to interact with us and provide feedback; we use this information towards understanding what

Below is an overview of our main stakeholders and how the Bank engages with them:

HOW WE ENGAGE WITH OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Face to face meetings • CEO town halls • Social events/activities • Training and coaching • External learning and growth opportunities • Committees • Recognition and rewards • Engagement Surveys/Pulse Checks • Breakfast meetings with EXCO • Virtual workshops and meetings
THEIR CONTRIBUTION TO VALUE CREATION	<ul style="list-style-type: none"> • Work towards achievement of our strategy - Key Performance Indicators • Demonstrate passion towards a positive customer experience • Help create and build positive working relationships • Enhance trust on the market • Help create a positive employer and corporate brand
WHAT OUR STAKEHOLDERS EXPECT FROM US	<ul style="list-style-type: none"> • An environment that encourages growth and open communication • The opportunity to achieve personal goals whilst aligning to the Bank's objectives

CORPORATE GOVERNANCE REPORT

OUR KEY RELATIONSHIPS (Cont'd)

EMPLOYEES AND MANAGEMENT (Cont'd)

WHAT CONCERNS OUR STAKEHOLDERS	<ul style="list-style-type: none"> • A safe and healthy place to work • Continued career growth • Open door management style; with mutual trust • A positive work culture • Sustainability and CSR actions • Regular feedback and coaching • Competitive remuneration • Financial and non-financial rewards • Recognition • A high level of empowerment and autonomy
---------------------------------------	--

SHAREHOLDERS AND INVESTORS

HOW WE ENGAGE WITH OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Annual reports, media releases and published results • Board meetings • Annual general meetings • Investor Relations web page • Presentations and factsheets to provide comfort with regard to our liquidity and risk management, as well as initiatives taken by the Bank to cope with the impact of COVID-19 on the organisation • External workshops and seminars • Newsletters • Sustainability and CSR microsite • Social media platforms • Webinars
THEIR CONTRIBUTION TO VALUE CREATION	<ul style="list-style-type: none"> • Investors provide the financial capital necessary to sustain growth
WHAT OUR STAKEHOLDERS EXPECT FROM US	<ul style="list-style-type: none"> • Providing sustained returns on investment through strong fundamentals, franchise, resilience, sound risk profile, strategic growth opportunities and good governance practices while building a sustainable business model
WHAT CONCERNS OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Sustainability issues (Environment, Social, Economic) • Delivering sustainable returns • Leadership and strategic direction • Corporate governance and ethics • Progress with project pipelines, business plans and future growth initiatives • A high level of employee engagement, empowerment and autonomy, a positive employer brand

CORPORATE GOVERNANCE REPORT

OUR KEY RELATIONSHIPS (Cont'd)

CUSTOMERS

HOW WE ENGAGE WITH OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Dedicated relationship managers proposing tailored financial solutions • Business meetings and visits • Online Conferences, Roadshows and Presentations • Networking Events • Newsletters • Website • Social media platforms • Satisfaction surveys • Webinars
THEIR CONTRIBUTION TO VALUE CREATION	<ul style="list-style-type: none"> • Customers are at the heart of our business and provide a solid base for our growth prospects • Customers turning into our strategic partners as we leverage on their brand equity
WHAT OUR STAKEHOLDERS EXPECT FROM US	<ul style="list-style-type: none"> • Quality of the Bank's product suite and service • Continuous assistance and clear guidance, especially during a pandemic context • Sustainability and financial solidity of the Bank • Efficient complaint mechanism • Enhanced customer relationship management practices • Seamless front-end experience with an easy, fast and secured banking environment, including for online channels
WHAT CONCERNS OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Transparent and timely insights that could impact their financial situation • Security and confidentiality of transactions • Corporate governance and ethics • Sustainability issues (Environment, Social, Economic)

GOVERNMENT AND REGULATORY AUTHORITIES

HOW WE ENGAGE WITH OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Regular meetings • Workgroups with Bank of Mauritius and Financial Services Commission on regulatory guidelines, new legislations, laws and other matters • Written communication • Regulatory returns • Onsite and offsite supervision by the regulators • Trilateral meeting between the Bank of Mauritius, External Auditors and the Bank • Regulatory approvals • Providing information during Parliamentary debates through the Mauritius Bankers Association, Business Mauritius and National CSR Foundation • Virtual Committees and conferences
THEIR CONTRIBUTION TO VALUE CREATION	<ul style="list-style-type: none"> • The regulator provides the enabling regulatory framework • Guidelines and instructions from the regulators issued from time to time

CORPORATE GOVERNANCE REPORT

OUR KEY RELATIONSHIPS (Cont'd)

GOVERNMENT AND REGULATORY AUTHORITIES (Cont'd)

WHAT OUR STAKEHOLDERS EXPECT FROM US	<ul style="list-style-type: none"> • Providing banking and financial services in a transparent, secure and sustainable way • Ensuring and maintaining customer satisfaction • Complying with acts, regulations and guidelines
WHAT CONCERNS OUR STAKEHOLDERS	<ul style="list-style-type: none"> • Products and services being provided and the communication around same • Compliance with laws, acts and regulations • Transparency and accessibility to accurate, relevant and current information • The Bank's duty of confidentiality and data protection • Duties of the Board and senior management • Appropriate Customer Due Diligence and Know Your Client (KYC) processes and reviews • Risk management and internal controls • Complaints handling and customer care • Compliance with the principles of corporate governance • Sustainable financing

CORPORATE GOVERNANCE REPORT

SOME KEY DATES

SHAREHOLDERS' CALENDAR

Financial Year End	June
Annual Meeting of Shareholders	November/December

PUBLICATION OF FINANCIAL STATEMENTS

30 September quarter end	November
31 December quarter end	February
31 March quarter end	May
30 June year end	September or any other dates permitted by the Bank's regulators

DIVIDENDS

Ordinary shares Dividends

Declaration	Post 30 June 2021 upon closure of accounts
Payment	Upon receipt of approval from local regulators

Class A Shares Dividends

Payment	Post June and December
	Upon receipt of approval from local regulators

The Annual Report is published in its entirety on the Bank's website.

(<https://www.afriasiabank.com/en/about/investors/annual-reports>).



The Corporate Governance Report have been approved on behalf of the Board of Directors:

INDERJIT SINGH BEDI
Chairperson

JOAN JILL WAN BOK NALE
Director

Date: 17 September 2021

STATEMENT OF COMPLIANCE

(SECTION 75(3) OF THE FINANCIAL REPORTING ACT 2004)

AfrAsia Bank Limited and its Subsidiaries

Year ended 30 June 2021

We, the Directors of AfrAsia Bank Limited, confirm that to the best of our knowledge AfrAsia Bank Limited and its Group Entities have complied with all of its obligations and requirements under the National Code of Corporate Governance 2016 in all material aspects except for the following:

Areas of Non-Compliance	
<p>Principle 2: The structure of the Board and its Committees</p>	<p>As at 30 June 2021, the Bank did not have an Executive Director serving on the Board which goes against the requisites of the Code stipulating that the Board should consider having a strong executive management presence with at least two executives as members.</p> <p><i>Reason for AfrAsia non-compliance:</i> The recruitment of a new CEO is still an on-going process and the Bank remains committed in finding a suitable candidate to address this composition deficiency.</p>
<p>Principle 2: The structure of the Board and its Committees</p>	<p>As at 30 June 2021, the Bank did not have a CEO serving on the Risk Committee which goes against the requisites of BOM's "Guidelines on Corporate Governance 2001" (revised October 2017) stipulating the need for the CEO to be an active member in this Committee.</p> <p><i>Reason for AfrAsia non-compliance:</i> The recruitment of a new CEO is still an on-going process and the Bank remains committed in finding a suitable candidate to address this composition deficiency.</p>
<p>Principle 3: Director appointment procedures</p>	<p>As at 30 June 2021, the Board of Directors did not have a formal suitable plan for the orderly succession of appointments of its members and senior management personnel in order to maintain an appropriate balance of knowledge, skills and experience and to ensure it is progressively refreshing.</p> <p><i>Reason for AfrAsia non-compliance:</i> The term of reference of the Corporate Governance Committee states that Committee is responsible to identify and nominate candidates for the approval of the Board to fill Board vacancies as and when they arise. Given that a new Board was set up during the year, this will be done as a priority.</p>

STATEMENT OF COMPLIANCE

(SECTION 75(3) OF THE FINANCIAL REPORTING ACT 2004)

AfrAsia Bank Limited and its Subsidiaries

Year ended 30 June 2021

Areas of Non-Compliance	
<p>Principle 4: Director duties, remuneration and performance</p>	<p>As at 30 June 2021, the Board did not undertake a formal, regular and rigorous evaluation of its own performance and that of its Committees and individual Directors and produce a development plan on an annual basis.</p> <p><i>Reason for AfrAsia non-compliance:</i> Considering the change in directorship in financial year ended 30 June 2021, no Board appraisal exercise has been performed during the year under review given that sufficient time is required for the Directors to be familiar with the Bank. The new Board will consider the latter exercise together with a development plan.</p>



INDERJIT SINGH BEDI

Chairperson

Date: 17 September 2021



JOAN JILL WAN BOK NALE

Director