

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 COMPRIZE:

- 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;

THE KEY FUNCTIONS OF THE BOARD COMPRIZE: (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.afrasiabank.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.

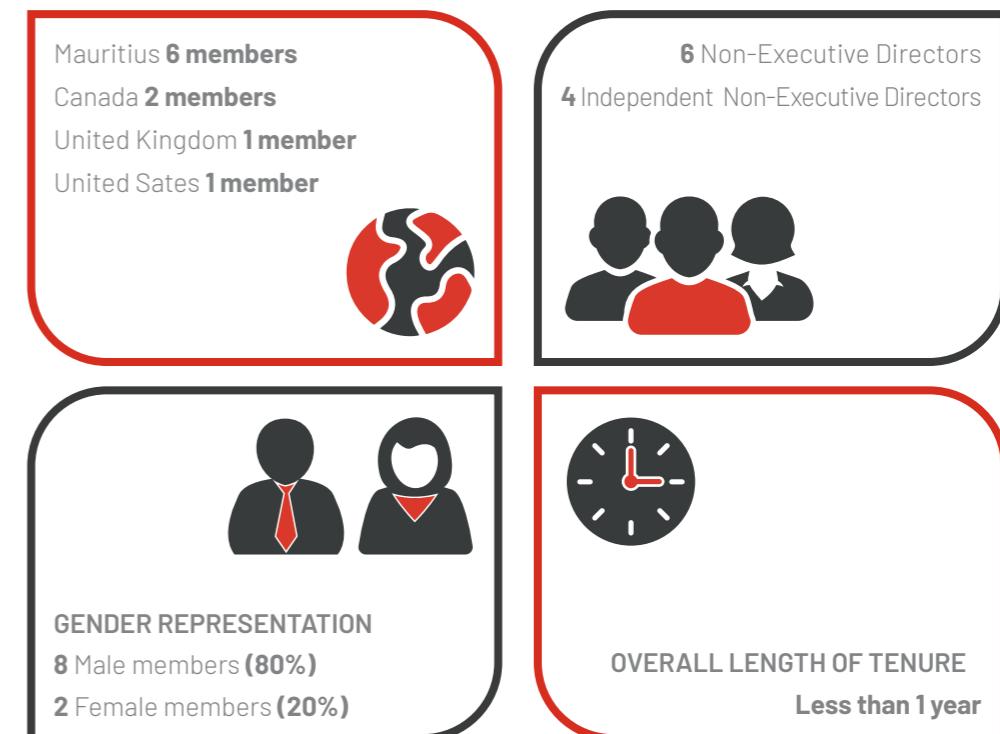
Name	Directorship	Effective Date
Inderjit Singh Bedi	Independent Non-Executive Director	02-Oct-20
Brian Adam Davis	Non-Executive Director	02-Oct-20
Isabelle Marie Edith Alvares Pereira De Melo	Non-Executive Director	02-Oct-20
Afsar Azize Abdulla Ebrahim	Independent Non-Executive Director	02-Oct-20
Aslam Kanowah	Non-Executive Director	02-Oct-20
Christian St-Arnaud	Non-Executive Director	02-Oct-20
Jan Fredrik Louis Gaëtan Boulé	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.

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



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.

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:

- Bluelife 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:

- 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 of 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, NBFI's and Insurance companies.

Country of residence: Mauritius

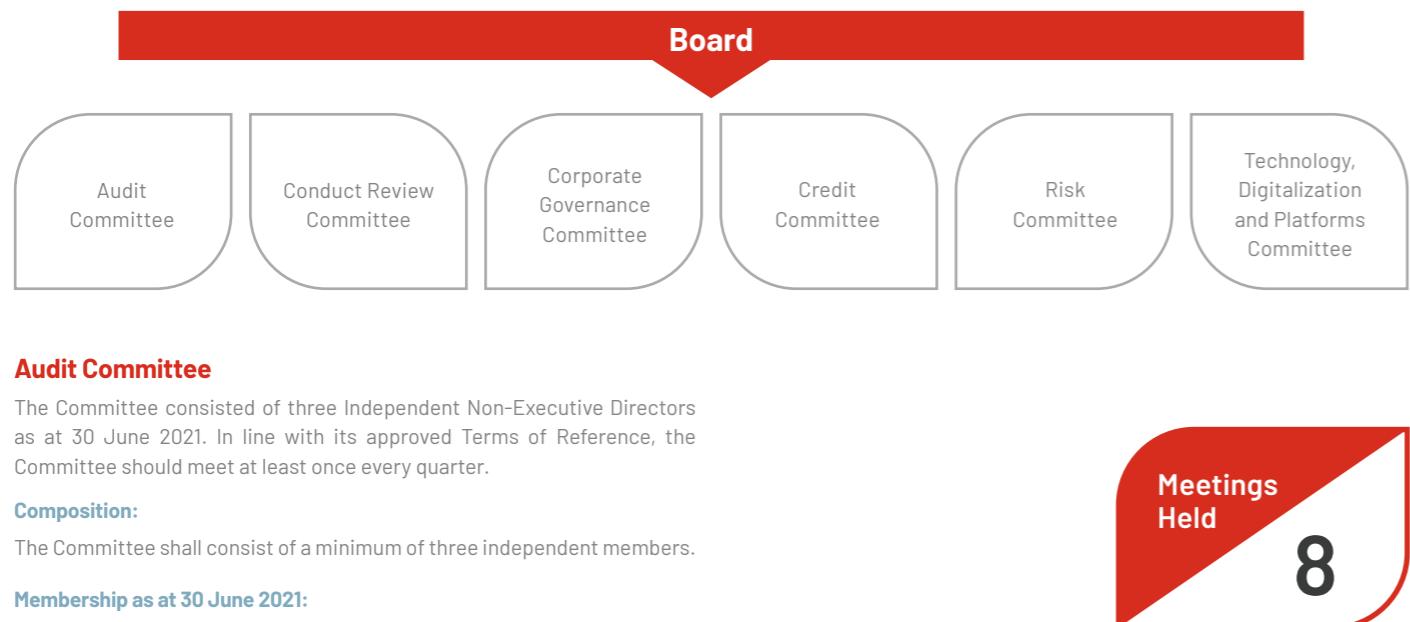
CORPORATE GOVERNANCE REPORT

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.

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.

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);
- 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.

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 Singh 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.

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.



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.

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

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

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.

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.

- 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.

• Receiving periodic information on risk exposures and risk management activities from senior officers;

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 Juppin De Fondaumière (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.

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;

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.

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

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.