

# **BANK ONE**

## **CONDUCT REVIEW** **&** **CORPORATE GOVERNANCE** **COMMITTEE**

### **TERMS OF REFERENCE**

*Owner: Corporate Affairs*

*December 2018*

**These Terms of Reference encompass the following:**

**1. OVERALL PURPOSE AND OBJECTIVES**

**2. ORGANISATION**

2.1 Appointment & Membership

2.2 Meetings & Proceedings

**3. DUTIES**

3.1 Conduct Review Committee

3.2 Corporate Governance Committee

3.3 CSR Activities

3.4 Reporting Obligations

**4. GENERAL**

**Appendix 1 – Members of the Committee**

## **1. OVERALL PURPOSE / OBJECTIVES**

The Conduct Review & Corporate Governance Committee (the "Committee") is constituted and appointed by the Board in accordance with the guidelines issued by the Bank of Mauritius and the Code of Corporate Governance.

The Committee shall:

- perform the functions of the Conduct Review Committee in line with the guideline issued by the Bank of Mauritius (BOM) on related party transactions and the Bank's internal Policy thereon, and shall mainly review and approve related party transactions;
- make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with the prevailing corporate governance principles as per the Code of Corporate Governance, Bank of Mauritius' Guideline on Corporate Governance and any other relevant guidelines or circulars as may be issued from time to time ("the Corporate Governance Principles").

## **2. ORGANISATION**

### **2.1 Appointment & Membership**

- 2.1.1 The Board shall appoint the members of the Committee, which shall be constituted of at least 3 Independent Directors. The Chairperson of the Board shall be an ex-officio member of the Committee.
- 2.1.2 Appointments to the Committee shall be for such term as decided by the Board.
- 2.1.3 The Board will, as far as practical, review the composition of the Committee and make any changes it deems appropriate.
- 2.1.4 The Board shall have the power to appoint and remove any member of the Committee, and to fill all casual vacancies that may arise.
- 2.1.5 The Board shall appoint the Chairperson of the Committee, who shall be an Independent Director. Where the designated Chairperson is not present at a meeting of the Committee, any other Member present and qualifying as an Independent Director, shall be elected to chair the said meeting.
- 2.1.6 The Chief Executive Officer will be invited to attend meetings of the Committee on a regular basis. Other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 2.1.7 The Company Secretary of the Bank, or such other person as nominated by the Board, shall act as the Secretary of the Committee.

### **2.2 Meetings & Proceedings**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

A Member shall be deemed to be present at any meeting if he is able to hear and understand all of the proceedings of the meeting and be heard and understood by all present or deemed present by way of telephone or other suitable means of communication and such Member indicates his willingness for the meeting to proceed on that basis.

The Committee shall meet at least quarterly or more frequently as required.

### **2.3 Voting**

All decisions shall be approved by majority. A Member present at a meeting of the Committee is presumed to have agreed to and to have voted in favour of a decision / recommendation, unless he expressly dissents from or votes against the decision / recommendation at the meeting.

The Committee may deliberate on any urgent matters by way of email circularisation. Any decision / recommendation taken in such manner should be unanimous. Such decision / recommendation shall be formally ratified at the ensuing meeting of the Committee.

Any member of the Committee who has a potential interest in any proposed related party transaction must disclose his interest and abstain from discussing and voting on that transaction.

## **3. DUTIES**

The Committee shall carry out the duties below:

### **3.1 Conduct Review Committee**

- 3.1.1 Establish policies and procedures to comply with the requirements of the guideline issued by the Bank of Mauritius on Related Party Transactions;
- 3.1.2 Review such policies and procedures periodically to ensure their continuing adequacy and enforcement in the best interest of the Bank;
- 3.1.3 Review and approve each credit exposure to Related Parties;
- 3.1.4 Ensure that market terms and conditions are applied to all Related Party Transactions;
- 3.1.5 Review the practices of the Bank to ensure that any transaction with Related Parties that may have a material effect on the stability and solvency of the Bank is identified and dealt with in a timely manner;

### **3.2 Corporate Governance Committee**

- 3.2.1 Make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with the prevailing Corporate Governance Principles as per the Code of Corporate Governance, Bank of Mauritius' Guideline on Corporate Governance and any other relevant guidelines or circulars as may be issued from time to time;
- 3.2.2 Determine, agree and develop the Bank's general policy on corporate governance in accordance with such prevailing Corporate Governance Principles;
- 3.2.3 Review the Corporate Governance Report to be published in the Annual Report, taking into consideration the "apply and explain" principle as per the Code;
- 3.2.4 Ensure that the reporting requirements with regard to corporate governance, whether in the Annual Report or an on-going basis, are in accordance with the prevailing Corporate Governance Principles;
- 3.2.5 Review the Board's Charter and make recommendations to the Board;
- 3.2.6 Review and recommend to the Board the Bank's Code of Ethics and monitor its implementation;

### **3.3 Overseeing the CSR activities**

- 3.3.1 Recommend, on an annual basis, the percentage of the Bank's audited profits to be allocated to the Bank's CSR Fund in line with the relevant laws and guidelines;
- 3.3.2 Recommend on the utilisation of the Bank's CSR Fund;
- 3.3.3 Oversee the CSR activities and projects of the Bank and ensure that same are in compliance with the Bank's policy and the guidelines of the NCSR.

**3.4 Reporting Obligations**

- 3.4.1 The Committee shall report periodically, and in any case, not less frequently than on a quarterly basis to the Board on matters reviewed by it, including exceptions to policies, processes and limits. Any write-off of any related party credit exposures shall be subject to the prior approval of the Board.
- 3.4.2 The minutes of proceedings of the Committee meetings shall be tabled at the subsequent Board Meetings.
- 3.4.3 The Committee shall evaluate its own performance on a regular basis.

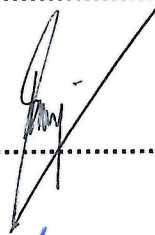
**4. GENERAL**

- 4.1 The Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 4.2 These Terms of Reference may be amended as required, subject to the approval of the Board.

**APPROVED BY BOARD ON**

5<sup>th</sup> December 2018

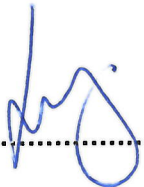
**CHAIRPERSON OF THE BOARD**



**CHAIRPERSON OF THE COMMITTEE**



**COMPANY SECRETARY**



**APPENDIX 1**

**Corporate Governance Committee**

The Members of this Committee, as at present date are:

<b><u>Chairperson:</u></b>	Mr. Leonard MUSUSA	Independent Director
<b><u>Members:</u></b>	Ms. Sandra MARTYRES	Independent Director
	Mr. Jozef TOURNEL	Independent Director