



BOARD CHARTER

Owner: Corporate Affairs

Contents

1. Introduction.....	1
2. Role and Responsibilities.....	1
3. Board Composition	2
4. Board Governance	2
5. Board Committees	3
6. Board Meetings and Decision Making	3
7. Evaluation & Remuneration of the Board / Committee Members	4
8. Conflict of Interest	4
9. Other Provisions	4
10. Review	4
Annex A: Director Nomination Process	5
Annex B.1: Senior Governance Position – Chairperson of the Board.....	6
Annex B.2: Senior Governance Position – Chairperson of the Board Committees	7
Annex B.3: Senior Governance Position – Chief Executive Officer	8
Annex B.4: Senior Governance Position – Company Secretary.....	9
Annex C: Matters requiring the approval of at least.....	10
one director from I&M Holdings PLC and one director from CIEL Finance Limited.....	10

1. Introduction

This Board Charter (the “Charter”) sets out the role, responsibilities, structure and processes of the Board of Bank One Limited (the “Bank” or “Bank One”). The provisions contained in this Charter are complementary to the requirements of the legislations and regulations, the Bank’s constitution, the shareholders’ agreement and the provisions governing the relationship between the committees and the Board as contained in the respective committees’ terms of reference, which have been approved by the Board.

This Charter is posted on the Bank’s website.

2. Role and Responsibilities

The role of the Board is to provide leadership and strategic guidance to enable Bank One to attain its strategic objectives. The Board has ultimate responsibility for the affairs of the Bank and is accountable to the Bank’s shareholders. In performing its role, the Board aspires to excellence in governance standards and should be guided by the interests of the Bank and its business, whilst taking into consideration the interests of all its stakeholders.

2.1 Strategy

- a) Set the Bank’s vision, mission and values;
- b) Approve the short term and long term business objectives, strategies and business plans of the Bank and its subsidiaries together with the appropriate policies to execute such strategies, including those relating to risk management, capital adequacy, liquidity, risk appetite, compliance, internal controls, communication policy and director orientation and evaluation.
- c) Monitor and evaluate the implementation of strategies, policies and performance measurements;
- d) Ensure optimal use of capital;
- e) Review, monitor and approve important capital expenditure of the Bank, including investment in information technology and strategic assets and ensure that they are prioritized according to the Bank’s strategy;
- f) Approve the capital and operating budgets, capital adequacy assessment process, capital and liquidity plans;

2.2 Risk Management and Internal Control

- a) Identify and assess key risk areas of the business and ensure that measures are taken to mitigate those risks;
- b) Ensure that effective internal control systems and policies are in place to safeguard the Bank’s assets and to achieve a prudential balance between risks and returns to shareholders;
- c) Ensure that the Bank’s operations are conducted prudently and within the framework of laws and Board policies;
- d) Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements;

2.3 Financial Reporting

- a) Approve the quarterly and yearly financial results, and in consultation with the Audit Committee, ensure that these have been prepared using the appropriate accounting policies and standards and fairly presents the state of affairs of the Bank;

2.4 Supervision of the Management

- a) Be responsible for the appointment of the CEO and other senior officers and assessing periodically their performance in the context of established corporate objectives and plans and risk appetite framework;
- b) Ensure that there is a clear demarcation of duties and responsibilities between the Board and the Management in order to implement an effective accountability regime. The Board should

be independent of the Management and shall periodically hold board meetings where management officials are not present.

- c) Evaluate the performance of the Senior Management and (by delegation, its Nomination and Remuneration Committee) implement a remuneration and incentive scheme to stimulate staff motivation to achieve the corporate objectives. The approach shall be reviewed periodically to assess its effectiveness and decide on any modifications, as necessary.
- d) Ensure adequate succession planning of the Senior Management team;

2.5 Governance and Relationship with Shareholders and Other Stakeholders

- a) Protect the interests of the Bank and ensure, through the adoption of good corporate governance practices, that decisions taken are sound and prudent and in the legal interest of all its stakeholders.
- b) Ensure effective communication with the regulators, shareholders and other stakeholders.
- c) Implement policies and procedures to identify potential conflict of interest situations involving different levels of staff and board members and establish processes to identify, report and deal with such situations.

3. Board Composition

The Board should be composed of at least 7 members and should not exceed 10 members. The Board should have a right mix of independent, non-executive and executive directors, taking cognizance of the Guidelines of the Bank of Mauritius and the Code of Corporate Governance for Mauritius (the Code).

All members of the Board should be individuals of integrity and, collectively, should bring a blend of knowledge, skills, objectivity and experience to the Board to enable it to carry out its functions effectively.

Directors will be nominated subject to them meeting the criteria set by the Bank, in accordance with the Banking Act 2004, the Bank of Mauritius guidelines and the Code. The director nomination process is set out as per Annex A of this Charter.

Directors will be elected or re-elected at the annual meeting of shareholders. Their retirement should be planned to ensure some continuity i.e. there should be a staggered retirement of directors.

The Chairperson of the Board shall be an independent director and shall, in line with the Shareholders' Agreement, be appointed by the Shareholders.

The CEO shall be a member of the Board but shall not be its Chairperson.

4. Board Governance

In order to meet all the legal and regulatory requirements and effectively discharge its duties, the Board may delegate some of its functions to specialized board committees. From time to time, the Board may delegate specific assignments to Directors or other parties to better guide the Board in important matters requiring significant expertise. Delegation however does not discharge the Board from its duties and responsibilities and while delegating authorities, the Board should bear in mind its fiduciary duties and responsibilities under the Companies Act.

As much as they can and within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle.

The Board has identified the following senior governance positions whose position statements are included as Annex B to this Charter:

1. Chairperson of the Board
2. Chairperson of Board Committees
3. Chief Executive Officer
4. Company Secretary.

In the selection of the of the Board members, senior governance positions, senior management and staff as a whole, the Bank shall adopt a non-discriminatory approach, whether in terms of disability, gender, sexual orientation, gender realignment, race, religion and belief, or age.

5. Board Committees

The Board shall have the following committees to which it can delegate some of its duties:

- 1) Board Audit Committee
- 2) Board Risk Management Committee
- 3) Conduct Review & Corporate Governance Committee
- 4) Nomination & Remuneration Committee
- 5) Board Administrative & Staff Compensation Committee
- 6) Board Credit Committee
- 7) Board Strategy Committee

The Board shall set out the terms of reference of each committee of the Board and shall also determine its composition. The roles of Chairperson of Committees shall, as far as practical, be well distributed among the directors so that no individual is burdened with too many committees. The Chairperson of the Board shall not be the Chairperson of any Board Committee.

Proceedings of committees shall be reported to the Board to allow other directors to be informed and seek clarifications from the Committee members, if so desired.

The terms of reference and composition of the Committees are posted on the Bank's website.

6. Board Meetings and Decision Making

- a) The Board shall meet at least each quarter or more frequently as may be required.
- b) Meetings shall be convened by the Chairperson, as scheduled or at the request of one or more directors. Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously.
- c) Save in urgent cases, the agenda and papers for a Board meeting shall be sent to all Board members at least five working days before each meeting.
- d) The agenda for each Board meeting shall be set out by the Chairperson, the Chief Executive Officer and the Company Secretary. Board members may request that an item be placed on the agenda for a Board meeting through the Chairperson within a reasonable timeframe prior to the meeting.
- e) Board meetings shall be presided by the Chairperson. In his absence, one of the other independent directors, designated by the majority vote of the Board members present at the meeting, shall preside such meeting.
- f) The quorum shall be as defined in the Shareholders' Agreement and in the Constitution.
- g) The Chairperson of the meeting shall consult with the absent members by telephone or other means whenever possible.
- h) Resolutions shall be passed in accordance with the provisions of the Shareholders' Agreement whereby the matters listed out in Annex C shall require the approval of at least one director from each of the two shareholders present at a duly convened meeting of the Board.
- i) The minutes of proceedings of each meeting shall be approved at the following meeting as evidence that the resolutions have been adopted.

7. Evaluation & Remuneration of the Board / Committee Members

The Board shall evaluate its own activities, performance and competence and those of its Chairperson and individual members as well as its committees every 2 years unless there are any special circumstances which would warrant an earlier review.

In order to promote transparency, the compensation of the directors will be disclosed in the annual report. The remuneration of directors will be debated and recommended by the Nomination & Remuneration Committee to the Board for onward recommendation to the Shareholders. Directors must not participate in discussions regarding their own packages.

8. Conflict of Interest

Directors must avoid instances that may give rise to conflicts of interests or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest must be made known to the Board in accordance with applicable laws and the Bank's policies, and the onus will be on the directors to advise the Board on any change in their situation.

On declaration of his interest, the concerned director shall not participate in the discussions and/or decision taking process on the transaction in relation to which conflict arises. The transaction may however be concluded and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with disclosure requirements and accounting policies and standards.

9. Other Provisions

The Chairpersons of the Board and the Committees, the Company Secretary and the CEO shall see to it that the management provides the Board and its Committees with the information they need in a timely manner so as to properly deliver their responsibilities.

The Board or its committees may, if it sees it necessary, obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

10. Review

The Board's Charter shall be reviewed every 2 years or earlier as may be required with the introduction of, or amendment to laws, regulations and practices.

Approved by the Board of Directors on

.....
Chairperson

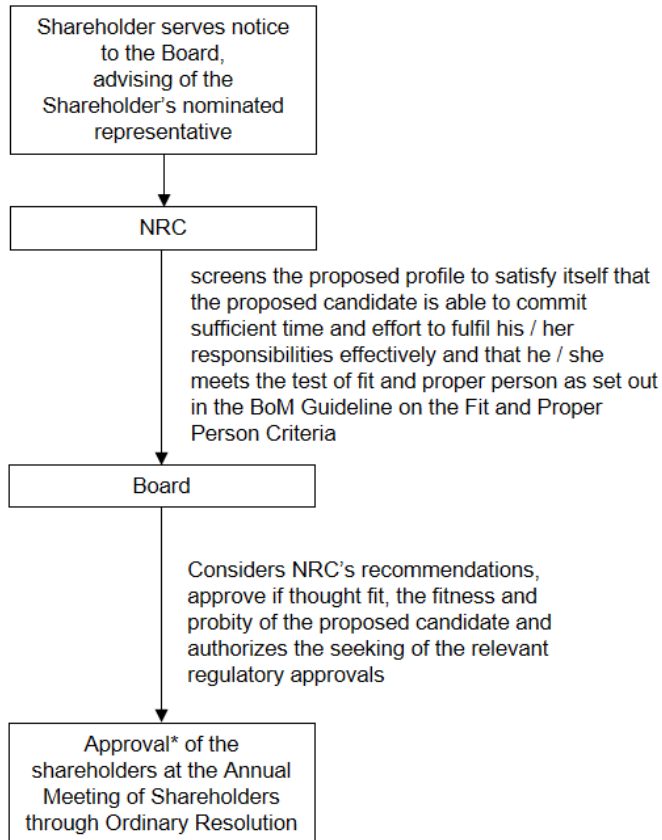
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Company Secretary

Annex A: Director Nomination Process

The director nomination and appointment process is guided by the legal and regulatory requirements and the Bank’s Constitution and Shareholders’ Agreement and is as follows:

Appointment of Non-Executive Directors (Shareholders’ Representatives) on the Board

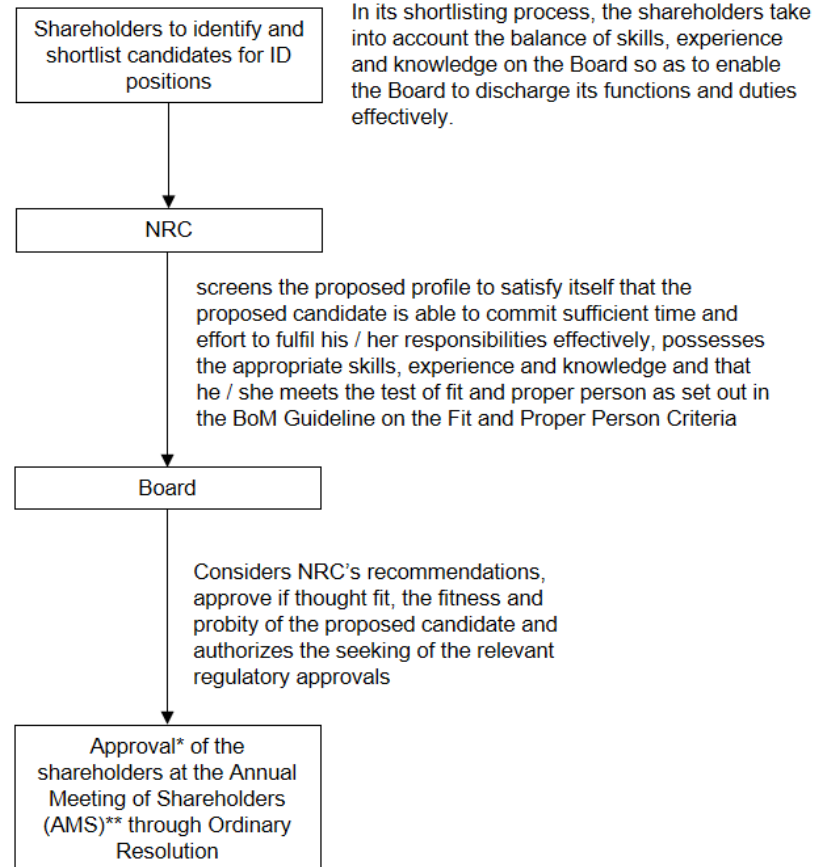
As per the Shareholders’ Agreement, each Shareholder is entitled to appoint 2 directors on the Board.



* Subject to regulatory approvals

Appointment of Independent Directors on the Board

As per the Shareholders’ Agreement, the Shareholders may appoint a minimum of 2 and a maximum of 4 independent directors



* Subject to regulatory approvals

** Should there be a casual vacancy arising during the year, the Board shall appoint a director to hold office until the next AMS, at which meeting the director shall stand for re-election by the Shareholders.

Annex B.1: Senior Governance Position – Chairperson of the Board

The Chairperson of the Board is appointed, from among the independent directors, by the Shareholders as per the Shareholders' Agreement. He / She should be a firm and objective leader and fulfil his / her role with impartiality. The Chairperson of the Board is responsible for:

1. Meetings

- a) Setting the Board agenda to ensure focus, direction and scope of Board meetings;
- b) Ensuring that the Management provides the directors with accurate, timely and clear information to enable the Board to take sound decisions and monitor effectively the implementation of Board decisions;
- c) Presiding over meetings of the Board and ensuring their effectiveness and smooth functioning in all matters, including:
 - the regularity and frequency of meetings;
 - encouraging all board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence;
 - managing the Board to allow enough time for discussion of complex or contentious issues. In so doing, the Chairperson should ensure that directors have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making;
- d) Ensuring that the Board and Board Committees are properly structured with appropriate terms of reference.

2. Leadership, Strategy and Management

- a) Setting the ethical tone for the Board and the Bank and uphold the highest standards of integrity;
- b) Providing overall leadership to the Board, demonstrating impartiality and seeking to resolve differences in the most constructive way whilst facilitating the effective contribution of non-executive directors and encouraging the active engagement of all directors;
- c) Establishing a close relationship of trust with the CEO and providing support and advice while respecting executive responsibility;
- d) Ensuring the Board's effectiveness in setting and monitoring of the implementation of the Bank's direction and strategy;
- e) Ensuring that the decisions of the Board are executed / effectively implemented;

3. Relationship with Shareholders and key Stakeholders

- a) Ensuring sound relations with the Bank's shareholders and key stakeholders;
- b) Ensuring that shareholders' and other key stakeholders' issues are understood and communicated to the Board as a whole and their concerns addressed appropriately.

4. Induction, Development, Succession and Performance Evaluation

- a) Ensuring that new directors participate in an induction programme, facilitated by the Company Secretary;
- b) Ensuring that the development needs of directors are identified and that adequate training is provided to continuously update directors' skills and knowledge so that they fulfil their role on the Board and its Committees;
- c) Ensuring the conduct of regular performance evaluations of the Board as a whole and of individual directors;
- d) Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team;
- e) In collaboration with the Nomination & Remuneration Committee, overseeing a formal succession plan for the Board, the CEO and senior executives.

Annex B.2: Senior Governance Position – Chairperson of the Board Committees

The Board Committees' respective Chairpersons are appointed by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and taking into consideration the qualifications, experience and competencies deemed ideal for chairing each Board Committee. The following lays out the broad responsibilities of each Board Committee Chairperson:

1. Meetings and Management

- a) Setting the Committee's agenda to ensure adequate coverage of all items under the Committee's responsibility;
- b) Ensuring that the Committee Members receive accurate, timely and clear information to enable the Committee to take sound decisions / make an informed recommendation to the Board of Directors;
- c) Managing effectively the running of the Committee's meetings and ensure that adequate time and consideration are given to complex or contentious issues;
- d) Ensuring that the Committee delivers on the duties and responsibilities delegated to it by the Board of Directors as set out in its Terms of Reference;

2. Communication and Reporting

- a) Ensuring a proper flow of information to the Committee;
- b) To report to the Board on the matters reviewed by the Committee and on any recommendations of the Committee at the ensuing Board of Directors' meeting.
- c) To escalate to the Board those matters where there is disagreement between the Committee members or other matters, which in the Chairperson's judgment, require deliberation at full Board.

Annex B.3: Senior Governance Position – Chief Executive Officer

The Chief Executive Officer (CEO) is wholly responsible to the Board for the day to day running of Bank One Limited. The key responsibilities of the CEO are set out as follows:

- 1. Strategy, Direction and Management of the Bank**
 - a) To lead and implement the Bank’s strategic plans in line with the direction, business strategies, risk management systems, risk culture, processes and controls set out by the Board.
 - b) Achieve growth in business levels, other targets and expand the customer base of the Bank in line with the Bank’s strategy and vision as approved by the Board from time to time.
 - c) Establish a management structure that promotes accountability and transparency across the Bank.
 - d) Provide oversight of the management team and ensure that the Bank’s activities are consistent with the business strategy, risk appetite and the policies approved by the Board.
 - e) To introduce new innovative products, enhance operational efficiency and ensure that the requirements and / or expectations of both external and internal customers are fulfilled.
 - f) To proactively plan and lead initiatives aimed at ensuring that the Bank has adequate capital, funding, liquidity and other resources required to meet its medium and long term goals.
 - g) To build, protect and enhance the Bank’s brand value and visibility.

- 2. Support and Assistance to the Board**
 - a) To spearhead the strategic planning process; i.e. prepare and advise the Board on options to improve the future strategic position of the Bank and constantly explore and exploit new areas and business opportunities.
 - b) Provide the Board with the information it needs to carry out its responsibilities in an appropriate, clear and timely manner and keep the Board regularly and adequately apprised about the operations of the Bank and of any changes in business strategy, risk strategy / risk appetite, the Bank’s performance and financial condition, breaches of risk limits or compliance rules, internal control failures, legal or regulatory concerns and issues raised as a result of the Bank’s whistleblowing procedures.

- 3. Compliance, Risk and Control**
 - a) Ensure that the policies spelt out by the Board are implemented within the risk tolerance / appetite levels set out by the Board and that the risk culture and internal control framework are adequately implemented and communicated at all levels;
 - b) Ensure that all staff operate within strict accordance with the Bank’s standards and policies, including its Code of Ethics, corporate governance, environmental, safety and health policies and that they are fully aware on issues of compliance, particularly on AML and KYC issues.
 - c) Ensure that the Bank complies with all the relevant banking and other applicable laws in the lawful and ethical execution of its operations;
 - d) Be conversant with the state of internal control, the prevailing legislation as well as current issues impinging the financial sector.

- 4. Communication**
 - a) To maintain regular contact with the Chairperson of the Board on all important and strategic issues of the Bank and act as a direct liaison between the Board and the Management;
 - b) To communicate effectively with all of the Bank’s stakeholders and the public as and when required and ensure the integrity of all public disclosures made by the Bank.
 - c) To maintain top level relationships with each of the Bank’s regulators and government agencies

Annex B.4: Senior Governance Position – Company Secretary

Besides the Company Secretary's administrative role in supporting the Board of Directors, the Company Secretary also acts as a vital bridge between the Board of Directors and the executive management to facilitate the delivery of organisational objectives. At Bank One Limited, the Company Secretary is appointed by the Shareholders and the Board of Directors after ascertaining for themselves that the appointee is fit and proper and has the requisite attributes, experience and qualification to properly discharge his / her duties. The Company Secretary reports to the Board Chairperson on all Board governance matters and functionally and administratively to the CEO on all executive management responsibilities. The key responsibilities of the Company Secretary are set out below:

1. Meetings

- a) Develop the agenda of the Board and Board Committees meetings in consultation with the Chairperson and the CEO;
- b) Circulate agendas and supporting papers to Board and Committee members in good time;
- c) Ensure that meetings are quorate, take minutes of Board and Board Committees meetings and circulate the draft minutes to all members;
- d) Ensuring that meetings and resolutions of the Board are properly held and passed in accordance with the Bank's Constitution;
- e) Ensure that minutes of proceedings of Board meetings and meetings of shareholders are properly maintained;
- f) Communicate and cascade down board decisions, recommendations and actions to the Management Team and ensure that Management's feedback is routed back to the Board.

2. Board Members – Appointment, Guidance, Support and Development

- a) Ensuring that the procedure for the appointment of directors is properly carried out in accordance with the Companies Act and the Bank's constitutive documents;
- b) Assist in the proper induction of directors and assist in their continuous professional development;
- c) Support and guide the Board and its members on administrative, compliance and procedural matters as and when required;
- d) Act as a channel of communication and information for non-executive directors;
- e) Assist the Chairperson in governance processes such as for example Board and Committees evaluation or any other initiatives or improvements that could strengthen the governance of the Bank.

3. Compliance

- a) Ensure that the Bank complies with its Constitution, all relevant statutory and regulatory requirements and rules established by the Board;
- b) Ensure the filing of appropriate returns and filings with the regulatory authorities.

4. Communication

- a) Communicate with the shareholders as appropriate and issue documentation regarding corporate events being undertaken by the Bank such as for example, issue of shares.
- b) Ensure that annual and special meetings of shareholders are held in accordance with the requirements of the Companies Act and the Bank's Constitution and the Shareholders' Agreement.

Annex C: Matters requiring the approval of at least one director from I&M Holdings PLC and one director from CIEL Finance Limited (Schedule 1 of the Shareholders Agreement)

1. Appointment, removal and remuneration of an Independent Director;
2. Appointment and removal of the Chief Executive Officer and Deputy Chief Executive Officer;
3. Any adjustment or variation to the shares or the granting of any options or other rights to subscribe for Shares;
4. Purchase, sale, hiring and letting of immovable property;
5. Investment of surplus funds other than placing short term funds with reputable financial institutions;
6. Acquisition of any business or any part thereof or any interest in any joint venture or any part thereof;
7. Purchase or sale of capital goods or other commitments in regard to fixed assets should any such commitment exceed United States Dollars fifty thousand (MUR 1,500,000) in value;
8. The approval of the balance sheet, profit and loss account and any other accounts of the Company;
9. Amendments of the Company's Constitution;
10. The lending or advancing of any monies to or the guaranteeing or indemnifying of any indebtedness, liability or obligations of any person;
11. The determinations of fees related to the Directors;
12. The declaration of any dividends by the Company and the dividend policy to be adopted by the Company;
13. Additions to the Board;
14. The disposal of the whole or substantially the whole of the undertaking or all or the greater part of the assets of the Company;
15. Conclusion (and any subsequent amendments) of long term agreements that are not on the ordinary course of business, that is, agreements (not in the ordinary course of business) which contain commitments which extend to periods in excess of twelve (12) months, for example, hire, purchase agreements or long term loans.
16. Conclusion (and any subsequent amendments) of Service Agreements;
17. The payment by the Company of any interest on advances made by the Shareholders to the Company and the amount and basis of calculation of such interest;
18. The repayment by the Company of any shareholder advances to the Shareholders;
19. The issue of Shares to any person other than the Shareholders;
20. Advancing credit to any customer in excess of the credit limits which are to be determined by the Board;
21. The finalization of all budgets, cash flow statements and business plans and the changing of any banking arrangements or facilities (including changes in bank mandates);
22. The reduction of the capital of the Company;
23. Converting, sub-dividing, cancelling or otherwise reorganizing or altering any rights attaching to any shares of the Company or issuing or allotting any share or other capital (inclusive of share options);
24. Replacement of the Auditors;
25. (unless otherwise provided herein) any agreement relating to the Business in which a Director or Shareholder has a direct or indirect interest;
26. Any call as well as the extent of such call on the Shareholders in respect of the partly paid up shares;
27. The provision of shareholders advances to the Company;
28. Any New Opportunity;
29. The change of the domicile of the Company;
30. The winding –up or dissolution of the Company;
31. A merger, demerger or similar operation with regard to the Company;
32. The sale or other disposition of shares in any company in which the Company holds shares;
33. The appointment or dismissal of any Director, but without prejudice to the rights conferred on each of the Shareholders and the Company pursuant to Section 5 to appoint and remove Directors;
34. The appointment of any committee of the Directors or Shareholders or any local board or delegation of any of the powers of the Directors to such committee or local board;
35. Issue of any debentures or other securities convertible into Shares or debentures of the Company or any share warrants;

36. The creation of any Encumbrance over the assets, rights, revenues, undertaking or goodwill of the Company;
37. The formation or acquisition of any Subsidiary;
38. Any material change in the nature of the Business as carried on for the time being;
39. The commencement of any litigation or arbitration or settlement of any disputes other than routine debt collection;
40. The factoring or assignment of any of the Company's bank debts;
41. The making of any claim, disclaimer, surrender election or consent of a material nature for tax purposes;
42. Changing the Company's accounting reference date or accounting policies;
43. Approving a public offering of securities of the Company;
44. Incurring any expenditure on any matter in excess of twenty per cent (20%) the relevant provision in the annual budget approved under this Schedule for the relevant financial year (or (save in relation to the capital expenditure), if none is approved for that year, the relevant provision in the most recent previously approved budget); and
45. Entering into any agreement not on bona fide arms' length terms or any agreement with any Director or with any Shareholder or with any Affiliate of a Shareholder;
46. Appointment, Removal and Remuneration of Chairman.