



Standard Bank

Board of Directors

Standard Bank (Mauritius) Limited

Board of Directors

PURPOSE

- 1.1 Ensure that the Bank is a sustainable organisation capable of fulfilling its stated objectives.
- 1.2 Oversee the Bank's business strategy, internal organisation and governance structure, its risk management and compliance practices and key personnel decisions.
- 1.3 Provide effective leadership based on an ethical foundation and strive to achieve a balance between the interests of the Bank and its various stakeholders, subject at all times to the respect of fiduciary duties by the directors.
- 1.4 Ensure that the Bank is seen to be a responsible corporate citizen.
- 1.5 Ensure that it applies equal opportunity principles, as set out in the Equal Opportunities Act (as may be amended from time to time) and applicable laws and regulations, in all its dealings and decisions.
- 1.6 Serve as the focal point and custodian of corporate governance in the Bank.
- 1.7 Ensure that the Bank complies with applicable laws and considers non-binding rules and standards.

In order for the Board to effectively oversee the affairs of the Bank, it has constituted six Board sub-committees:

- Board Audit Committee
- Board Risk Management Committee
- Board Credit Committee
- Board Technology and Information Committee
- Board Nomination and Remuneration Committee
- Board Related Party Transactions Committee

The Board reviews and approves their terms of reference on annual basis.

A summary of the key terms of reference of Board of Directors is listed below:

1 Strategy	<ul style="list-style-type: none">• Map out the Bank's goals and plans for achieving those goals.• Ensures that any action is aligned to the Bank's values, performance and sustain ability.• Continuously monitor financial performance.• Ensure that an adequate budget and planning process exists.
2 Corporate Governance	<ul style="list-style-type: none">• Ensure that sound corporate governance practices are implemented within the Bank.• Annual assessment of achievements against set objectives.• Delegate power, authorities and discretions to the chief executive and sub-committees for efficient decision making process.• Propose to shareholder for approval, the remuneration of Independent and Non-executive directors.• Approve external auditor's fees following recommendation from Board Audit Committee.• Review matters such as code of ethics, environmental and social issues.• The Board approves the Bank's code of ethics and ensure that the highest set of standards for responsible business practice is adhered to by the Bank.

<p>3 Board members' appointment, and overall effectiveness and evaluation of Board</p>	<ul style="list-style-type: none"> • The Board conducts a fit and proper assessment before recommending the appointment of directors to the shareholder. The salient terms and conditions of appointment of non-executive and independent directors can be viewed here. • The Board approves the appointment of the Chairperson and membership of all Board committees on annual basis. • The Board assumes the responsibilities for succession planning and for the appointment and induction of new directors to the Board. • Ongoing board education remains a focus for the Board to ensure that- directors are kept abreast of all applicable legislations and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the Bank and its operations. • Annual assessment of the board is conducted against set objectives to review and further the Board's effectiveness.
<p>4 Risk and Compliance</p>	<ul style="list-style-type: none"> • Ensure proper and effective compliance and risk management policies and procedures are implemented. • Implement policies and procedures to identify conflict of interest situations and steps to redress such situations.
<p>5 Dividend Policy, Finance and Capital Funding</p>	<ul style="list-style-type: none"> • Ensure that policies and systems are in place to achieve a prudential balance between risks and returns to shareholders. • Approve dividends payments to shareholders. • Consider and approve capital expenditure recommended by the Bank's Executive Committee. • Ensure an adequate budget and planning process exists, and that performance is measured against budgets and plans.
<p>6 Access to information and Resources</p>	<ul style="list-style-type: none"> • Regular interaction between Board and executive management. • Directors have free and unrestricted access to management team and to Bank's information. • Directors are provided with the services of external legal advisers when required.

Board Audit Committee

The Board Audit Committee assists the Board in honouring its responsibilities for monitoring the quality of the financial statements of the Bank. It reviews the accounting policies, financial reporting and regulatory compliance practices and the Bank's system and standards of internal controls, and monitors processes for internal audit and external audit.

A summary of the key terms of reference of the Board Audit Committee is listed below:

Review interim and audited annual financial statements and other financial information required to be submitted to shareholder

Consider reports by the executive management on measures implemented to ensure compliance with the statutes, internal policies and procedures and controls, including accounting systems and record keeping controls, information systems and technology controls, internal audit processing, management information systems and reports applied to the day to day management of the business and review the internal control structure including financial control, accounting systems and reporting

Review the basis on which the Bank has been determined 'a going concern' and make a recommendation to the board

Recommend the appointment of external auditor and the terms of reference to the Board

Evaluate reports produced by the internal audit department of the Bank detailing the adequacy and overall effectiveness of the Bank's internal audit function

Review the Bank's compliance plan, with specific reference to the procedures for identifying regulatory risks and controlling their impact on the Bank as well as ensuring that the Bank's policy complies with relevant regulatory and legal requirements

Review complaints handling and complaints reporting procedures

Board Risk Management Committee

The Board Risk Management Committee provides oversight and advice to the Board on current and potential future risk exposures of the Bank and future risk strategy. It reviews the Bank's compliance with approved risk appetite and oversees the operation of Bank's policy framework and submissions to regulators.

A summary of the key terms of reference of the Board Risk Management Committee is listed below:

The committee is responsible for advising the board on the Bank's overall current and future risk appetite, overseeing senior management's implementation of the risk appetite framework and reporting on the state of risk culture in the Bank

Review and assess the integrity of the risk control systems and ensure that risk policies and strategies are effectively identified, managed and monitored in order to contribute to a climate of discipline and control, thereby reducing the opportunity of risk, including fraud, in all areas of operation

Establish an enterprise wide risk framework, for implementation in the business that will include the following disciplines: credit risk; operational risk; liquidity risk; market risk; legal risk; regulatory capital management and risk assurance

Consider legal issues that could have a significant impact on the bank's business

Ensure independence of Chief Risk Officer from operational management

Evaluate efficacy of insurance coverage

Consider all ethics related matters

Board Credit Committee

The purpose of the Board Credit Committee is to ensure that effective credit governance is in place in order to provide for the adequate management, measurement, monitoring and control of credit risk including country risk.

A summary of the key terms of reference of the Board Credit Committee is listed below:

Review and approve on an annual basis the terms of reference of management committees set up to consider credit risk namely the Credit Risk Management Committee and the Credit Committee, with clearly defined mandates

Oversight on the delegated authority to the Credit Committee which approves credit facilities within approved thresholds

Approval of agreed credit risk appetite framework as required under the Credit Risk Governance Standard as adopted by the Bank

Review of the credit risk portfolio reports, the credit risk impairment adequacy and any other credit related reports submitted by management

Consider any other Credit related matters that may be necessary

Board Technology and Information Committee

The board of directors ensures that prudent and reasonable steps have been taken with respect to fulfilling its responsibilities for technology and information governance. The board has delegated authority to the Board Technology and Information Committee to oversee the governance of technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

A summary of the key terms of reference of the Board Technology and Information Committee is listed below:

Review and approve the technology and information governance framework

Consider management's strategies relating to technology and information

Ensure the establishment of effective technology and information management functions in the Bank;

Review and approve the technology and information related governance standards and policies, and oversee effective implementation thereof by management

Review technology and information management reports

Consider the IT budget as a component of the Bank's approved budget and to assess the suitability and affordability of significant IT investments in relation to the budget

Consider any material technology capability outsourcing arrangements or contracts

Review the Bank's assessment of risks associated with cyber, technology and information including disaster recovery, business continuity and IT security

Ensure there is a digital strategy and data governance framework in place

Oversee the implementation of data led products

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee is responsible for proposing new nominees to the Board, assessing board composition and effectiveness and recommending to the Board the remuneration of non-executive directors. It also oversees the framework for reward and compensation for the Bank including remuneration and compensation of executives/senior management.

A summary of the key terms of reference of the Board Nomination and Remuneration Committee is listed below:

Evaluate the balance of skills, knowledge, experience and diversity on the board and recommend the criteria for selection of board candidates.

Review and recommend candidates for board positions to the board.

Establish and recommend to the board succession plans for non-executive, independent and executive directors.

Review and make recommendations on the re-election of directors.

Review and recommend to the Board the appointments of Senior Officers of the Bank

Review and recommend to the board the remuneration of the Board Chairperson, independent directors and non-executive directors.

Oversee the framework for reward and compensation for the Bank.

Provide an oversight of remuneration and compensation of executives, senior managers and other key personnel.

Oversee any major changes in employee benefits structures.

Board Related Party Transactions Committee

The Board established the Board Related Party Transactions Committee to consider related party transactions in line with the Bank of Mauritius Guideline on Related Party Transactions.

The Board Related Party Transactions Committee is responsible for approving related party transactions above certain thresholds and where related party transactions pose special risks to the Bank.

A summary of the key terms of reference of the Board Related Party Transactions Committee is listed below:

Approve credit exposures to related parties where the aggregate of credit exposures to any single related party and/or its group of connected counterparties exceed 2 per cent of the Tier 1 capital of the financial institution or MUR500 million, whichever is lower.

Approve transactions with related parties where the aggregate amount due by/to any single related party and/or its group of connected counterparties exceed 2 per cent of the Tier 1 capital of the financial institution or MUR500 million, whichever is lower.

Approve all related party transactions posing special risks to the financial institution.

Ensure that all transactions with related parties are carried out on terms and conditions that are at least as favourable to the Bank as market terms and conditions.

The approval, monitoring and review of this document occurs as and when required and is approved by the Board.