

# Committees' terms of reference and composition

Investec Bank (Mauritius) Limited

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# Committees' terms of reference and composition

The following committees have been established by the board of directors ("the board") of Investec Bank (Mauritius) Limited ("the bank") to promote the highest level of corporate governance:

- in regard to the matters set out below; and
- in ensuring compliance with the requirements of the regulators of the bank.
- in ensuring compliance with the requirements of the Code of Corporate Governance for Mauritius ("the Code") issued by the National Committee on Corporate Governance established under the Financial Reporting Act 2004.

## 1. Audit committee

### 1. Membership and composition

- The committee members and its chairperson shall be appointed, removed or replaced by the board at any time;
- The committee membership will automatically end at such time as a member cease to be a member of the board;
- The committee shall at all times have at least three members who are non-executive directors of the board;
- The committee shall at all times have at least one member who is an independent, non-executive director;
- The committee members shall be identified in the bank's annual report, and if required, their attendance at committee meetings during each year will be disclosed;
- The chairperson of the committee may at his discretion invite non-members to meetings as deemed necessary;
- The members of the Audit committee should preferably have financial background and be conversant with both the international auditing standards (IASs) and international financial reporting standards (IFRSs);
- All committee members should meet predetermined skills, competency and experience requirements. The committee is free to consult with specialists or consultants to assist it with the performance of its functions, subject to a board-approved process;
- All committee members must keep up to date with developments affecting the required skill set;
- director of the bank or a non-executive director of the Investec group and shall be appointed by the board;
- The chief executive officer, chief operating officer and head of compliance shall be permanent invitees. The majority of the committee must at all times be non-executive directors of the board of the bank or other independent persons invited for their particular knowledge or expertise;

Members of the board, who are not members of the committee, shall have the right to attend the committee meeting and shall notify the chairperson of their wish to exercise this right;

- The following persons are automatically invited to attend all committee meetings (if they are not already members of the audit committee, then in an ex officio capacity unless otherwise decided by the audit committee)
  - Any member of the Investec Bank Limited audit committee
  - Accounts and Finance manager
  - Two representatives of the external auditors
- Any other persons, as determined by the chairperson of the audit committee may be required to attend a specific meeting (or part thereof) to report on any particular matter/issue;
- Each executive/officer/auditor who attends committee meetings shall have the right to attend and be heard at committee meetings; and
- The chairperson of the committee may ask any or all of the executives/officers/auditors to withdraw from the meeting.

### 2. Quorum

A quorum shall be two members, including the chairperson.

If a member has in any way, a direct or indirect personal interest in a matter before the Committee they must declare the nature and extent of that interest to the other members either at the beginning of the applicable meeting or in advance by email to members. A member who has a conflict in a matter before the Committee will be counted for quorum purposes, however, may not be counted as participating in the decision-making process for voting purposes.

### 3. Secretary

The company secretary or his nominee shall act as secretary of the committee.

### 4. Frequency and notice of meeting dates

- Committee meetings will be called by the secretary at the request of any of its members, other than the four pre-determined meetings per annum;
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each committee members and any other person required to attend at least seven days before the date of the meeting; and
- The committee chairperson and the secretary will set the agenda of each meeting.

## 5. Meetings other than in person

Where deemed appropriate by the chairperson, meetings and subsequent approvals and recommendations may occur via written resolution or conference call or other electronic means of audio or audio-visual communication.

## 6. Voting

Decisions of the committee shall be unanimous, otherwise, shall be referred to the board.

## 7. Minutes of meetings

The secretary shall record the proceeding of each meeting, which shall be kept in the minute book. The draft minutes of each meeting shall be reviewed by the chairperson and, upon finalisation, shall be circulated to each member of the committee and be confirmed at the following meeting.

## 8. Responsibilities of the audit committee

### i. Financial reporting:

- Monitor the integrity of the financial statements of IBM and its formal annual and interim reports which are subject to approval by the external auditors, reviewing significant financial reporting issues and judgments which they contain.
- Review, consider, and challenge where it considers it necessary:
  - the appropriateness and consistency of, and any changes to IBM, ensuring compliance with financial reporting standards
  - significant issues raised in reports released by the internal auditors, compliance, the BOM, the external auditors and Management responses thereto and report its findings to the Board
  - methods used to account for significant or unusual transactions where different approaches are possible
  - whether IBM has complied with applicable accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditors
  - the clarity and adequacy of presentation and disclosure in IBM's financial reports and the context in which statements are made
  - significant adjustments resulting from the external audit findings/reports
  - the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to IBM's ability to continue as a going concern)
  - other material information presented including the annual report and interim report, such that the reports overall are not misleading.
- Where requested by the Board, the Committee shall review the content of the annual report and advise the Board on whether, taken as a whole, it is fair, balanced, and understandable and provides the information necessary.
- Satisfy itself that a combined assurance model is applied which incorporates the various risks and levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks.
- Consider related party disclosures in relation to IBM.

### ii. Internal controls and risk management processes:

- Review at least annually, the effectiveness of the internal controls and risk management processes.

### iii. Finance Function:

- Review the expertise, resources, experience, and effectiveness of the Finance Function.
- Considering the appropriateness of the expertise and experience of the Head of Finance.

### iv. Compliance:

- Review the effectiveness of IBM's compliance monitoring procedures.

The Head of Compliance shall have the right of direct access to the Chair of the Committee.

### v. Internal audit:

- Monitor and review the effectiveness of IBM's internal audit function, including the Head of Internal Audit (HIA), in the context of the overall risk management system.
- Consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively. The Committee shall also ensure that the function has adequate standing and is free from management or other restrictions.
- Determine whether it is satisfied that the quality, experience, and expertise of internal audit are appropriate for the business.
- Have access to all reports of the internal auditor relating to IBM and receive regular reports from the internal auditor of all significant issues arising from the work of the internal audit function.
- Review and monitor Management's responsiveness to the findings and recommendations of internal audit.
- Ensure that there is open communication between internal and external audit and that internal audit evaluates the effectiveness of risk, compliance, and internal financial controls as part of its internal audit plan.
- Review and approve the annual internal audit plan to ensure it is aligned to business's key risks and receive regular reports on the work carried out and approval of any change or delay in the plan and ensure co-ordination between the internal and external auditors.
- Meet with the HIA at least once a year, without Management being present, to discuss internal audit's remit and any issues arising from the internal audits carried out.
- Consider whether an independent, third-party review of internal audit's effectiveness and processes is required. An independent review should be performed every five years.

The HIA shall be given the right of direct access to the Chair and is accountable to the Committee.

### vi. External audit:

- Recommend to the Board the appointment or removal of the external auditors.
- Oversee the relationship with the external auditor, including (but not limited to) agreeing their terms of engagement, the scope of the audit and, in consultation with the executive

directors, agree and approve their remuneration (including fees for both the audit and non-audit services) to ensure that the level of fees is appropriate to enable an effective and high-quality audit to be undertaken.

- Assess annually the independence and objectivity of the IBM auditors, taking into account the relevant professional and regulatory requirements and the relationship with the auditors as a whole (other than in the ordinary course of business), including the provision of any non-audit services, which could adversely affect the auditor's independence and objectivity.
- Assess annually their qualifications, expertise and resources and the effectiveness of the audit process.
- Receive a report periodically from the external auditors on their internal quality procedures.
- Consider transparency reports and reviews of each external audit firm covering their client base, client acceptance and continuance processes, and the approach to clients, if any, that did not meet the client continuance criteria.
- Monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and ensuring that the frequency of rotation is appropriate to maintain the independence of audit partners.
- Meet the external auditor at least once a year, without Management being present, to discuss their remit and any issues arising from the audit.
- Review and approve the annual audit plan, understand any reasons for changes to the audit plan, and ensure that it is consistent with the scope of the audit engagement.
- Review the findings of the audit with the external auditors, including but not limited to:
  - a discussion of any major issues which arose during the audit
  - any accounting and audit judgments
  - levels of errors identified during the audit
  - key audit matters.
- Consider the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions.
- Review and monitor the content of the external auditor's management letter and management's response to the auditors finding and recommendations and reporting to the Board on the effectiveness of the audit process.
- Review any representation letter(s) requested by the external auditors which management is required to sign.
- If any external auditor resigns, investigate the issues leading to this and decide whether any action is required.
- Oversee compliance of any regulatory requirements for audit firm rotation, as specified in the different jurisdictions in which the Group operates.

In terms of non-audit services, develop and recommend to the Board, and implement, the Company's formal policy on the external auditor's provision of non-audit services, including the Committee's approval of non-audit services, the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include assessment of:

- threats to the external auditor's independence, objectivity and any safeguards in place to eliminate or reduce threats

- the nature of the non-audit services
- consider the external audit firm's skills and experience, whether it is the most suitable supplier of the non-audit service
- the fees for the non-audit services, both for individual services and in aggregate, relative to the audit fee, including special terms and conditions; and the criteria governing compensation of the individuals performing the audit
- ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and IBL outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process
- keep the policy for the provision of non-audit services under review.

## 9. Specific reporting responsibilities and recommendations to the board

- The Committee's reporting line is to the Board.
- The secretary shall circulate the minutes of the committee to its members and if requested to the boards of Investec Limited and Investec Bank Limited
- The Committee will:
  - Report its findings to the board and to the Group Audit Committee;
  - Keep the board apprised on matters relating to the accounting practices and the internal financial controls of the bank;
  - Assist the board in making a going concern statement;
  - Recommend to the board whether the external auditor should perform assurance procedures on interim results;
  - Evaluate the suitability of the expertise and experience of the Finance Director/Head of Finance and recommend to the board if changes are necessary;
  - Report on the results of the review of the Finance function;
  - Conclude and report yearly to the board on the effectiveness of the bank's internal financial controls – and report on weaknesses in financial control, whether from design, implementation or execution that are considered material;
  - Report to the board on how it has fulfilled its duties, in terms of the relevant Companies Act and Terms of reference during the financial year;
  - Provide assurance to the board on the effectiveness of the compliance function control framework, procedures and processes;
  - Provide assurance to the board with regard to the controls in place to mitigate IT risks.

## 10. Scope of duties

The foregoing list of reporting responsibilities and disclosure obligations is not intended to be either complete or exclusive, and the Audit Committee shall, in addition, have such powers as may be necessary or appropriate for the performance of its duties in terms of these terms of reference. All interpretations

and determinations of the committee made in accordance with the authority granted to it herein shall be binding on all interested parties.

## 11. Annual workplan

The Committee will evidence how it discharged its mandate and exercised its authority by amongst others, following an annual work plan. The annual work plan will also record ad hoc tasks, work and duties undertaken by the Committee which are not expressly recorded within these Terms of Reference.

## 12. Powers

- The committee shall have the power to call a meeting of the board of directors.
- The committee shall have the power to require any executive officer or employee of the bank or any of its subsidiaries and their divisions to furnish it with any information that it requires or to make an oral report to the committee at a meeting.
- The committee shall have the power to require internal audit or compliance to carry out specific tasks or reviews.
- The committee shall, at its discretion, be entitled to seek and rely on legal and accounting advice for which the bank will pay.
- It is expressly provided that the committee shall not have any executive powers and accordingly no executive duties with regard to its findings and recommendations.
- The committee will meet with internal and external auditors at least once a year without management being present.

## 13. Review of Terms of reference

The board will review the terms of reference on an annual basis.

## 2. Board sub-committee

### 1. Powers

The committee will have all the powers other than the powers provided for under any of the following sections which are listed in the seventh schedule to the Companies Act 2001 and under section 23.2 (a) of the bank's constitution:

- i. section 52 (Issue of other shares);
- ii. section 56 (Consideration for issue of shares);
- iii. section 57(3) (Shares not paid for in cash);
- iv. section 61 (Board may authorise Distribution);
- v. section 64 (Shares in lieu of Dividends);
- vi. section 65 (Shareholder discounts);
- vii. section 69 (Purchase of own shares);
- viii. section 78 (Redemption at option of Company);
- ix. section 81 (Restrictions on giving financial assistance);
- x. section 188 (Change of registered office);
- xi. section 246 (Approval of Amalgamation proposal);
- xii. section 247 (Short form Amalgamation).

## 2. Attendance and voting

The committee may meet and if it does so:

- written notice of the meeting shall not be required nor there any specific period of notice for meetings;
- a quorum at a meeting of the committee shall be two members of the committee personally present (unless a resolution is passed by round robin);
- no business shall be conducted at a meeting of the committee unless a quorum is present and
- decisions of the committee shall be unanimous.

## 3. Procedures

- Save as expressly provided herein, the committee shall be authorised to specify its own procedure in all matters connected therewith.
- A resolution in writing ("round robin" resolution) signed by at least two members of the committee shall be valid and have the same effect as a resolution taken at a meeting of the committee. It is specifically provided that:
  - the "round robin" resolution need not be contained in a single document;
  - a facsimile copy of a "round robin" resolution signed by any member of the Committee or an email confirmation received from any member of the committee shall be treated as a valid copy of the resolution in question;
  - a "round robin" resolution signed by the members of the committee (where it is not contained in a single document, the counterparts comprising that resolution) shall be entered in the minute book and shall be tabled for information at the next meeting of the board of directors after the date of signature thereof;
  - where a facsimile copy of the resolution is one of the counterparts, that facsimile copy or email confirmation of the resolution, a Xerox or equivalent thereof shall be kept in the minute book; and
  - the tabling of resolutions (whether taken at a meeting or by way of "round robin" resolution) at a meeting of the board of directors for information as provided above, shall not be prerequisite for the validity of such resolution.

## 4. Reporting

- A minute of the committee meeting recording at least the resolutions taken shall be prepared and shall be tabled for information at the next meeting of the board of directors; and
- Notwithstanding anything to the contrary contained above, any member of the committee shall have the right at his sole discretion to request that any matter submitted to the committee at a meeting or by way of "round robin" resolution should instead be submitted for the consideration of the full board.

## 5. Review of terms of reference

The board will review the terms of reference on an annual basis.



### 3. Nomination and remuneration committee

#### 1. Objective:

The role of the Nomination and remuneration committee will be to work on behalf of the board of directors of the bank with the following mandate:

- recommend to the board candidates for board positions, including the chair of the board and chairs of the board committees;
- recommend criteria for the selection of board members and criteria for the evaluation of their performance;
- prepare for approval of the board the remuneration and compensation package for directors, senior managers, and other key personnel, taking into account the soundness of risk taking and risk outcomes as well as any relevant information available on industry norms;
- recommend to the board an incentive package, as necessary, to enhance staff performance, while ensuring that incentives embedded within remuneration structures do not incentivise staff to take excessive risk.
- recommend nominees for board committees
- comment on the contribution of individual directors to the achievement of corporate objectives as well as on the regularity of their attendance at the board and committee meetings.
- consider and ensure an appropriate plan is in place for both executive and non-executive succession; and
- review succession for key leadership positions.

#### 2. Membership

The Committee will comprise of three non-executive directors.

#### 3. Quorum

Two members constitute a Quorum.

#### 4. Procedures

The Committee shall meet at least once during the bank's financial year.

##### Salary and bonus review:

- The chief executive officer and the chief operating officer shall meet with the Business Unit Heads of the bank to discuss and assess the salary bonus awards for each employee.
- In respect of salary reviews, the current Mauritian Consumer Price Index is one of the key parameters taken into account in deciding salary increases.
- In respect of bonus awards the following key performance indicators are assessed in respect of each employee:
  - Performance of the bank;
  - Performance of Investec Group;
  - Performance of the employee;
  - Teamwork;
  - Initiative;
  - Whether or not the individual is key to the Company.

- The assessment done by the chief executive officer and the chief operating officer will be submitted to one of the non-executive directors for review with Investec Head of group HR.

The Nomination and remuneration committee will review the decisions made for the employees in general and will specifically consider the proposed decisions made in respect of the company's senior personnel.

#### 5. Review of terms of reference

The board will review the terms of reference on an annual basis.

### 4. Corporate governance committee

#### 1. Objective:

The role of the Corporate governance committee will be to ensure that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles of the applicable regulatory requirements and applicable Code of Corporate Governance.

#### 2. Terms of reference

**The Corporate governance committee is involved in the following activities:**

- advise the board on all aspects of corporate governance and to recommend the adoption of best practices as appropriate;
- determine, agree and develop the bank's general policy on corporate governance in accordance with the Code of Corporate Governance for Mauritius and the Bank of Mauritius Guidelines;
- approve the corporate governance report to be published in the bank's annual report; and
- Ensure that all reporting requirements and disclosures made in the annual report are in compliance with the disclosure provisions in the Code of Corporate Governance and the Bank of Mauritius Guidelines.

#### 3. Membership

The Committee will comprise of three non-executive directors.

#### 4. Quorum

The quorum for decisions of the Committee shall be any two members present throughout the meeting who shall vote on the matter for decision.

#### 5. Meetings and procedures

Meetings of the committee will be held as the committee deems appropriate. However, the committee shall meet at least once each year. The chairperson of the committee or any member of the committee may call a meeting at any other time;

The notice of each meeting of the committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be

forwarded to each member of the committee not less than four working days prior to the date of the meeting;

Unless varied by these terms of reference, meetings and proceedings of the committee will be governed by the company's constitution regulating the meetings and proceedings of directors and committees;

Minutes of all meetings shall be circulated to all the members of the committee and may also, if the chairperson of the committee so decides be circulated to other members of the board.

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;

These terms of reference may be amended as required, subject to the approval of the board.

## 6. Review of terms of reference

The board will review the terms of reference on an annual basis.

## 5. Risk management committee

### 1. Objectives

The objectives of the Risk management committee are to:

- advise the board on the bank's overall current and future risk appetite;
- oversee senior management's implementation of the risk appetite framework; and
- report on the state of risk culture in the bank.

### 2. Scope of duties

The major tasks of the Risk management committee include the following:

- Identification of principal risks, including those relating to credit, market, liquidity, operational, legal, compliance and reputation of the bank and actions to mitigate the risks;
- appointment of a chief risk officer 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 organisation;
- ensuring independence of the chief risk officer from operational management without any requirement to generate revenues;
- requirement of the chief risk officer to provide regular reports to the committee, senior management and the board on his activities and findings relating to the institution's risk appetite framework;
- receive from senior officers periodic reports information on risk exposures and activities to manage risks; and activities;
- formulate and make recommendations to the board on risk management issues

## 3. Membership and composition

- Risk management committee members and its chairperson shall be appointed by the board.
- Members may be removed or replaced by the board at any time.
- Membership will automatically end at such time as a member ceases to be in the employment of the group or a member of the board.
- Members shall be identified in the Investec Annual Report, and if required, their attendance at the committee meetings during each year.
- Other individuals may be invited to attend all or part of a meeting as and when appropriate or when their expertise is required but shall not have a vote.
- The committee will comprise of the following members:
  - Kailash Sharma Ramnauth
  - Lourens Francois Janse Van Rensburg
  - Grant M Parsons
- Risk Management Committee will be chaired by Kailash Sharma Ramnauth.
- Vanessa Olver and Ramdeo (Dev) Erriah will be invitees to the Committee

## 4. Meetings procedures

### Notice of meetings

- Meetings of the committee will be held as the committee deems appropriate. However, the committee shall meet at least once every quarter.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, and shall be forwarded to each Risk management committee member and any other person required to attend, at least seven working days before the date of the meeting.

### Meetings other than in person

Where deemed appropriate by the chairperson of the Risk management committee, meetings and subsequent approvals and recommendations may occur via written resolution or conference call or other electronic means of audio or audio-visual communication.

### Quorum

A quorum shall be two members and must include a chairperson referred to above, all who must be present throughout the meeting.

### Minutes of meetings

The secretary shall minute the proceedings and resolutions of all Risk management committee meetings, which shall be circulated promptly to:

- all Risk management committee members and other Risk management committee meeting attendees as appropriate; and
- members of the board, and the Audit committee.



## 5. Reporting responsibilities

The Risk management committee shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities and make recommendations it deems appropriate.

## 6. Authority

The board authorises the Risk management committee:

- to perform each of the specific duties and undertake each of the reporting responsibilities contained in these terms of reference and have the power to delegate authority to sub-committees or individuals, as it deems appropriate; and
- to investigate any matter within its terms of reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Risk management committee).

## 7. Interface with audit committee

The Audit committee has the primary role in providing assurance to the board that enterprise-wide risks have been correctly identified and appropriate controls are in place. Therefore, the Audit committee will rely on the output of the Risk management committee to give assurance as regards enterprise-wide risk.

## 8. Review of terms of reference

The board will review the terms of reference on an annual basis.

## 6. Committees' compositions

The compositions of the five sub-committees of the board are as follows:

### AUDIT COMMITTEE

Vanessa Olver (Chair)  
Ramdeo (Dev) Erriah  
Kailash Sharma Ramnauth

#### In attendance

Grant M Parsons (CEO)  
Lara Ann Vaudin (COO)  
David Desvaux de Marigny (head of finance)  
Farzanah Nowbuth (head of risk)  
James Catto (head of treasury)

Ajam Joomun (head of compliance)  
Helene Cloete (head of legal)  
David Deeb (head of lending)  
Group head of internal audit  
Group compliance officer  
External auditors

### BOARD SUB-COMMITTEE

Lourens Francois Janse van Rensburg (Chair)  
Kailash Sharma Ramnauth  
Grant M Parsons

### NOMINATION AND REMUNERATION COMMITTEE

Lourens Francois Janse van Rensburg (Chair)  
Vanessa Olver  
Kailash Sharma Ramnauth

#### In attendance

Grant M Parsons (CEO)  
Group head of HR

### CORPORATE GOVERNANCE COMMITTEE

Ramdeo (Dev) Erriah (Chair)  
Lourens Francois Janse van Rensburg  
Vanessa Olver

#### In attendance

Grant M Parsons (CEO)

### RISK MANAGEMENT COMMITTEE

Kailash Sharma Ramnauth (Chair)  
Lourens Francois Janse van Rensburg  
Grant M Parsons

#### In attendance

Vanessa Olver  
Ramdeo (Dev) Erriah  
Lara Ann Vaudin (COO)  
David Desvaux de Marigny (head of finance)  
Farzanah Nowbuth (head of risk)  
James Catto (head of treasury)  
Ajam Joomun (head of compliance)  
Helene Cloete (head of legal)  
David Deeb (head of lending)  
Group head of internal audit  
Group compliance officer  
External auditors

## 7. Board structure

