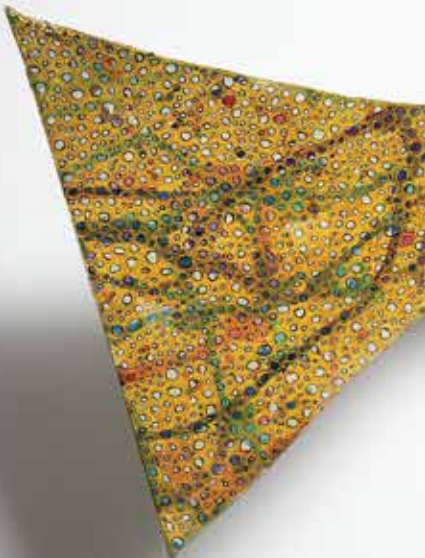


Corporate governance report





EVELYN D.
Meet the artist

Compliance with the National Code of Corporate Governance for Mauritius (2016)

To the best of the Board's knowledge, the Group has adhered, during the year under review, to the requirements and provisions as specified in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') and has explained how these have been applied. In 2021, the Group interacted with members of the National Committee on Corporate Governance in the finalisation of the corporate governance scorecard, a self-assessment tool aimed at reinforcing the application of the principles as set out in the Code.

Disclosures pertaining to the eight principles of the Code have been made in different sections of the Annual Report, as outlined below:

Principles of the Code	Relevant sections of the Annual Report
Principle 1: Governance Structure	<ul style="list-style-type: none">• Our corporate profile¹• Corporate governance report
Principle 2: The Structure of the Board and its Committees	<ul style="list-style-type: none">• Corporate governance report
Principle 3: Director Appointment Procedures	<ul style="list-style-type: none">• Corporate governance report
Principle 4: Director Duties, Remuneration and Performance	<ul style="list-style-type: none">• Corporate governance report
Principle 5: Risk Governance and Internal Control	<ul style="list-style-type: none">• Corporate governance report• Risk and capital management report²
Principle 6: Reporting with Integrity	<ul style="list-style-type: none">• Corporate governance report• Delivering on our strategic objectives³• Group financial performance⁴• Sustainability Report⁵
Principle 7: Audit	<ul style="list-style-type: none">• Corporate governance report• Risk and capital management report²
Principle 8: Relations with Shareholders and Other Key Stakeholders	<ul style="list-style-type: none">• Corporate governance report• Delivering on our strategic objectives³• Sustainability Report⁵

Notes:

¹ 'Our corporate profile' can be found on pages 23 to 33

² 'Risk and capital management report' can be found on pages 150 to 193

³ 'Delivering on our strategic objectives' includes information on our environmental and social performances and can be found on pages 35 to 86

⁴ 'Group financial performance' provides an assessment of the Group's results and can be found on pages 88 to 96

⁵ 'Sustainability Report' provides an overview of the Group's corporate sustainability agenda and its engagement with various stakeholders and is available on our website

Corporate governance report

Our philosophy

The Board of MCB Group Ltd is committed to applying high standards of corporate governance with a view to upholding the organisation's long-term business sustainability and creating value for all its stakeholders, whilst acting for the good of society. The Board provides purpose-driven and ethical leadership by setting the tone from the top in the way it conducts itself and oversees the operation and management of the Company and of its subsidiaries. It ensures that good governance principles are adopted throughout the organisation, with the aim to uphold ethical and responsible behaviour by all employees in their dealings with stakeholders. Principles of accountability, strong risk management, transparency, and integrity are thus inherent to the Group's values, culture, processes and operating structures. Given the highly challenging operating environment and the dynamic market landscape, including the prominence of ESG issues, the Board continuously monitors developments therein, with a view to refining the Group's governance framework to ensure relevance and sustainability of the organisation's business model. The Group's sound governance standards and practices are anchored on key pillars as highlighted hereunder:



Strong commitment to ethics and values

- Dedicated Board Committee overseeing ethical conduct and sustainability matters across the Group
- Application of the Group's 'Code of Ethics', approved and monitored by the Board
- Whistleblowing Policy allowing employees to report matters of concern in strict confidentiality
- Establishment of a Gender Equality Charter



Strict compliance to rules and regulations

- Adherence by Group entities to the provisions of legislations, rules and regulations in countries where they operate
- Compliance by relevant domestic entities with the National Code of Corporate Governance for Mauritius (2016)
- Compliance with international reporting requirements as applicable
- Adoption of the underlying Basel principles by banking subsidiaries



Approved risk governance and internal control

- Ring-fencing of activities, as gauged by the segregation of banking and non-banking operations
- Board responsible for oversight and monitoring of risk profile against risk appetite
- Strong and transparent governance framework, underpinned by the 'three lines of defence' model
- Provision of independent assurance by both internal and external auditors



Continuous multi-stakeholder engagement

- Ongoing dialogue with the investment community, regulatory bodies and authorities
- Contribution to economic development and resilience by providing adapted financial solutions and support to our customers
- Safeguard of cultural and environmental heritage
- Promotion of community well-being and fostering of staff development and welfare

Corporate governance report

Governance structure

Governance framework

MCB Group Ltd is led by a committed and unitary Board, which has a collective responsibility for the leadership, oversight and long-term success of the organisation. The Group operates within a clearly defined governance framework, which enables delegation of authority and clear lines of responsibility, while allowing the Board to retain effective control. The Board is supported by five committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Group’s activities. Acting on the direction set by the Board, Management Executives are entrusted with the operational management of the business, with their performance and effectiveness closely monitored against set objectives and policies. The fundamental relationships among the Board, Board committees and Management Executives as well as their main roles are illustrated in the following diagram.

Role of Board

The Board provides effective leadership in the formulation and delivery of the Group’s strategy within a framework of robust risk management and sound internal controls, alongside ensuring adherence by the Company and its subsidiaries to relevant legislations, policies and norms, including sustainability principles.



Board of Directors


Role of Board Committees

Board Committees facilitate the discharge of the Board’s responsibilities and provide in-depth focus on specific areas. In fulfilling their role of providing oversight and guidance, Chairpersons of Board Committees escalate all significant matters impacting the Group to the Board.



Role of Management Executives

Management Executives are responsible for strategy execution and the day-to-day running of the business, with well-defined accountabilities as endorsed by the Board. They regularly report to the Board on the operational and financial performance of the Group.

 [More information on Board and Committee Charters is available on the website](#)

The roles and responsibilities of the Chairperson, executive and non-executive directors as well as the Company Secretary are clearly defined in the Board Charter and Position Statements, which have been approved and are regularly reviewed by the Board. The role of the Chairperson is distinct and separate from that of the Chief Executive. There is a clear division of responsibilities with the Chairperson leading the Board and the Chief Executive managing the Group’s business on a day-to-day basis. The Board ensures that the external obligations of the non-executive directors do not hinder the discharge of their duties and responsibilities. In this respect, it is worth noting that the external commitments of the Chairperson did not change during the financial year under review.

Key roles and responsibilities

Chairperson	Chief Executive	Directors
<ul style="list-style-type: none"> • Provides overall leadership to the Board • Ensures that the Board is effective in its duties of setting out and overseeing the implementation of the Group's strategy, alongside exercising oversight of the Group's ethics performance • Ensures that committees are properly structured with appropriate terms of reference • Presides and conducts meetings effectively • Advises and provides support and supervision to the Chief Executive • Ensures that directors receive accurate, timely and clear information • Ensures that development needs of the directors are identified and that appropriate training is provided with a view to continuously updating their skills and knowledge • Oversees the succession planning process at Board and senior executive level • Maintains sound relations with stakeholders 	<ul style="list-style-type: none"> • Manages the day-to-day operations • Develops and executes the plans and strategy of the business, in line with the policies set by the Board • Consults regularly the Chairperson and Board on matters which may have a material impact on the Group • Acts as a liaison between Management and the Board • Provides leadership and direction to Senior Management • Builds, protects and enhances the Group's brand value • Ensures that the Group's corporate culture and values are embraced throughout the organisation • Ensures the Group has implemented the necessary frameworks and structures to identify, assess and mitigate risks • Ensures the maintenance of a sound internal control system 	<ul style="list-style-type: none"> • Contribute to the development of the Group's strategy • Analyse and monitor the performance of Management Executives against the set objectives • Ensure that the Group has adequate and proper internal controls as well as a robust system of risk management • Ensure that financial information released to markets and shareholders is accurate • Participate actively in Board decision-making and constructively challenge, if necessary, proposals presented by Management Executives • Provide specialist knowledge and experience to the Board • Remain permanently bound by fiduciary duties which include duties of loyalty, care and disclosure
<h3>Company Secretary</h3> <ul style="list-style-type: none"> • Ensures compliance with all relevant statutory and regulatory requirements • Develops and circulates the agenda for Board meetings • Ensures good information flows and provides practical support to directors • Facilitates induction of directors and provides guidance to them in terms of their roles and responsibilities • Assists the Chairperson in governance processes such as Board and Committee evaluation • Ensures effective communication with shareholders and guarantees that shareholders' interests are duly taken care of 		

 *More information on the above key roles is available on the website*

Constitution of MCB Group Limited

The Constitution of MCB Group Ltd conforms to the provisions of the Companies Act 2001 of Mauritius and the Listing Rules of the Stock Exchange of Mauritius Ltd. There are no clauses of the Constitution deemed material enough for specific disclosure. A copy of the Constitution is available on the website.

The Board



Didier HAREL
Chairperson
Independent Non-Executive Director
(7 years on the Board)



Pierre Guy NOEL
Chief Executive - MCB Group Ltd
Executive Director
(8 years on the Board)



Jean Michel NG TSEUNG
Chief Executive Officer - MCB Investment Holding Ltd
Chief Executive Designate - MCB Group Ltd
Executive Director
(6 years on the Board)



Gilbert GNANY
Chief Strategy Officer - MCB Group Ltd
Executive Director
(8 years on the Board)



Jean-Philippe COULIER
Independent Non-Executive Director
(2 years on the Board)



**Karuna
BHOOJEDHUR-OBEGADOO**
Independent Non-Executive Director
(7 years on the Board)



Constantine CHIKOSI
Independent Non-Executive Director
(3 years on the Board)



**Jean-Jacques DUPONT DE
RIVALZ DE ST ANTOINE**
Independent Non-Executive Director
(8 years on the Board)



Georges Michael David LISING
Independent Non-Executive Director
(4 years on the Board)



Stephen DAVIDSON
Independent Non-Executive Director
(2 years on the Board)



Alain REY
Independent Non-Executive Director
(7 years on the Board)



San T SINGARAVELLOO
Independent Non-Executive Director
(4 years on the Board)

Changes during the year

Status change

Jean Michel NG TSEUNG

Following his appointment as Chief Executive Designate effective 1 September 2021, the Board status of Jean Michel changed to Executive Director from Non-Executive Director, a position he held during the previous 5 years.

Re-elected during the Annual Meeting of

Shareholders held in December 2021

- Karuna BHOOJEDHUR-OBEGADOO
- Jean-Philippe COULIER
- Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE
- Didier HAREL
- Georges Michael David LISING
- San T SINGARAVELLOO

Directors' profiles

The Board comprises 12 directors who have a proven track record in various fields. The names of the directors who held office at the end of the financial year, together with details of their position, qualifications, experience and directorships in other listed companies in Mauritius (where applicable) are set out hereafter. Unless otherwise stated in their respective profile, directors reside in Mauritius.



Didier HAREL - Age 70



POSITION:

Chairperson, Independent Non-Executive Director

Non-Executive Director since November 2015 and Chairperson as from September 2016. Didier is the Chairperson of the Remuneration, Corporate Governance, Ethics & Sustainability Committee, Strategy Committee and Supervisory & Monitoring Committee and is a member of the Risk Monitoring Committee.

QUALIFICATIONS:

BSc in Chemical Engineering and Chemical Technology (UK) and MBA (INSEAD - France)

SKILLS AND EXPERIENCE:

Didier has a track record of over forty years in the downstream sector of the oil industry, having worked for the EXXON and TOTAL Groups. He started his career with Esso in Mauritius in 1974 and was appointed as Managing Director of Esso Réunion in 1982. He was then transferred to the Esso Europe-Africa Services Headquarters in London to head the Supply & International Sales Division from 1985 to 1988. He joined the TOTAL Group in 1988 where he was entrusted several international assignments, initially as Managing Director of TOTAL in Zambia and in Zimbabwe and subsequently, as Managing Director and Chief Executive Officer of major TOTAL Refining & Marketing subsidiaries in South Africa and in the United Kingdom. He also shouldered an array of senior executive positions in the marketing and logistics arena at TOTAL's Africa and Middle East Head Office in Paris and within TOTAL France, the home-based marketing and distribution company of the group. He was seconded in 2012 by TOTAL S.A as Chairperson and CEO of Société Anonyme de Gestion des Stocks Stratégiques, the national oil compulsory stock obligation entity for France.

DIRECTORSHIP IN OTHER LISTED COMPANIES:

Terra Mauricia Ltd



Pierre Guy NOEL - Age 66



POSITION:

Chief Executive and Executive Director

Executive Director since April 2014. Pierre Guy is a member of the Remuneration, Corporate Governance, Ethics & Sustainability Committee, Risk Monitoring Committee, Strategy Committee and the Supervisory & Monitoring Committee. He is also a member of the Group's Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:

BSc (Honours) in Economics and Chartered Accountant (UK)

SKILLS AND EXPERIENCE:

From 1981 to 1991, Pierre Guy worked at De Chazal Du Mée & Co. where he became a partner in financial consultancy. He joined MCB in 1992 as Planning and Development Consultant before being appointed General Manager of the Bank in 1996. Following the organisation's restructuring, he became the Chief Executive of MCB Group Ltd in April 2014. He is a Board member of several companies within the Group namely Banque Française Commerciale Océan Indien, MCB Madagascar, MCB Seychelles, MCB Maldives, MCB Capital Markets Ltd, MCB Equity Fund Ltd, MCB Consulting Services Ltd, MCB Factors Ltd, Credit Guarantee Insurance Co. Ltd, MCB Microfinance Ltd and MCB Institute of Finance Ltd, amongst others, acting either as Chairperson or Director.

He was appointed to the Board of MCB Ltd in 2005 and was a director thereof until March 2014 when he joined the Board of MCB Group Ltd following the Group's restructuring exercise. Having reached the retirement age of 65 in August 2021, he has been asked to stay as Chief Executive on an ad-hoc, short-term basis, in order to ensure a smooth transition.

DIRECTORSHIP IN OTHER LISTED COMPANIES:

Compagnie Des Villages De Vacances De L'Isle De France Limitée (COVIFRA)



Jean Michel NG TSEUNG - Age 54



POSITION:

Chief Executive Designate and Executive Director

Executive Director as from September 2021 after having been a Non-Executive Director since November 2016. Jean Michel is a member and the Secretary of the Risk Monitoring Committee and Supervisory & Monitoring Committee. He is also a member of the Group's Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee).

QUALIFICATIONS:

BSc (Honours) in Mathematics and Chartered Accountant (UK)

SKILLS AND EXPERIENCE:

Jean Michel joined MCB Ltd in January 2004 and was Head of Corporate Banking of the Bank until July 2015, when he was appointed Chief Executive Officer of MCB Investment Holding Ltd. He trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and subsequently of Ernst & Young in Mauritius. He is currently a Board member of several companies within the Group namely MCB Investment Holding Ltd, MCB Ltd, MCB Seychelles, MCB Maldives, MCB Madagascar, Banque Française Commerciale Océan Indien and MCB Leasing Ltd, amongst others. Moreover, he sits on the Risk Monitoring Committee of MCB Ltd.

AC	Audit Committee
RCGESC	Remuneration, Corporate Governance, Ethics & Sustainability Committee
RMC	Risk Monitoring Committee
SC	Strategy Committee
SMC	Supervisory & Monitoring Committee
C	Committee Chair
M	Committee Member



Gilbert GNANY - Age 60



POSITION:

Chief Strategy Officer and Executive Director

Executive Director since April 2014. Gilbert is a member of the Risk Monitoring Committee as well as the Strategy Committee on which he also acts as Secretary.

QUALIFICATIONS:

'Licence ès Sciences Economiques (Economie Mathématique)', 'Maîtrise en Econométrie' and 'DESS en Méthodes Scientifiques de Gestion et Calcul Economique Approfondi' (France)

SKILLS AND EXPERIENCE:

Gilbert previously worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius Ltd, the Statistics Advisory Council and the Statistics Board of Mauritius as well as having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. He was also a member of the IMF Advisory Group for sub-Saharan Africa and a member of the Senate of the University of Mauritius. He is currently a Board member of several companies within the Group. On the institutional side, he is an external IMF expert in statistics, in particular, on data dissemination standards and strategy. Moreover, he is a member of the Financial Services Consultative Council. He also acts as Chairperson of the Economic Commission of Business Mauritius which serves, *inter alia*, as a platform for public-private sector dialogue.

DIRECTORSHIPS IN OTHER LISTED COMPANIES:

Promotion and Development Ltd; Caudan Development Ltd; COVIFRA; Medine Ltd



Karuna BHOJEDHUR - OBEEGADOO - Age 61



POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2015. Karuna is a member of the Audit Committee and Remuneration, Corporate Governance, Ethics & Sustainability Committee.

QUALIFICATIONS:

BSc (Honours) in Actuarial Science and Fellow of the Institute and Faculty of Actuaries (UK)

SKILLS AND EXPERIENCE:

Karuna started her career at the M&G Reinsurance Company in London (now Swiss Re) in 1985. She joined the State Insurance Company of Mauritius Ltd (SICOM) as Actuary and Manager of the Life, Pensions and Actuarial departments in 1990 when she was also appointed Actuarial Advisor to the National Pensions Fund and member of its Investment Committee.

She has been the Chief Executive of the SICOM Group from 1996 to 2017 and is currently the Chairperson thereof. She is also a Board member of several companies within the SICOM Group, acting either as chairperson or director. In the past, she has served as Director on the board of several companies, including State Bank of Mauritius Ltd, National Mutual Fund Ltd, First Republic Fund Ltd, Cyber Properties Investment Ltd, Mauritius Housing Company Ltd, National Housing Development Company Ltd, China Index Fund Ltd and China Actis Ltd. She was also a Founding Member of the National Committee on Corporate Governance and of the Board of Investment. She is currently a Director of MCB Equity Fund Ltd, a subsidiary of MCB Group Ltd.



Constantine CHIKOSI - Age 67



POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2019. Constantine is a member of the Strategy Committee.

QUALIFICATIONS:

LLB, MSc in Economics and Chartered Management Accountant (UK)

SKILLS AND EXPERIENCE:

In a career spanning over 19 years with the World Bank Group, Constantine has held various operational, strategy and management roles, delivering development solutions for the bank's client countries through analytical work and high level policy dialogue with governments while advising the board on internal corporate strategy and forward-looking initiatives. He oversaw a threefold growth of the World Bank's investment portfolio in South East Asia and a forty percent improvement in its performance as Chairperson of committees that shaped the bank's operational strategy and investment portfolios in Cambodia, Laos, Malaysia, Myanmar and Thailand.

Constantine led the opening of the World Bank Office in Mauritius where he assisted the Government in developing policy responses to the 2008 global financial crisis and streamlining the country's business regulation to reduce the cost of regulatory compliance. Prior to joining the World Bank, Constantine worked as Business Development Executive for a global mining company and as Company Secretary for a conglomerate listed on the Johannesburg Stock Exchange.

Non-Resident



Jean-Philippe COULIER - Age 73



POSITION:

Independent Non-Executive Director

Non-Executive Director since December 2020. Jean-Philippe is Chairperson of the Risk Monitoring Committee.

QUALIFICATIONS:

'Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France)

SKILLS AND EXPERIENCE:

During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairperson and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was a Board member of MCB Ltd from 2012 to 2018 and was appointed Chairperson thereof for the last 4 years. He is currently a Board member in several companies within the Group namely MCB Factors Ltd, MCB Microfinance Ltd and Fincorp Investment Ltd.

DIRECTORSHIPS IN OTHER LISTED COMPANIES:

Promotion and Development Ltd (*Chairperson*); Caudan Development Ltd (*Chairperson*); Constance Hotel Services Ltd; Fincorp Investment Ltd





Stephen DAVIDSON - Age 67



POSITION:
Independent Non-Executive Director

Non-Executive Director since December 2020. Stephen is a member of the Audit Committee and Remuneration, Corporate Governance, Ethics & Sustainability Committee.

QUALIFICATIONS:
MA in Mathematics and Statistics (Scotland)

SKILLS AND EXPERIENCE:
Stephen pursued an executive career in investment banking and in the technology, media and telecommunications (TMT) sector in the UK and in the USA. He held investment banking roles in Rothschild, Chemical Bank (now JP Morgan) and WestLB Panmure, a British corporate and institutional investment bank. He was the Chief Financial Officer before being appointed as Chief Executive Officer of Telewest plc, a cable & broadband internet, telephone carrier & cable television provider, listed on the London Stock Exchange (LSE). He has had an extensive and rich non-executive career over the last 20 years, sitting on 14 Boards, of which 11 were listed companies, including 2 FTSE 100 listed companies and he held multiple chairmanships of nomination and remuneration, audit and corporate governance committees thereon. He is currently the Chairperson of PRS for Music Ltd, a British music copyright collective, undertaking collective rights management for musical works, while being a director of Datatec Ltd (listed on the Johannesburg Stock Exchange) and Actual Experience plc (quoted on the Alternative Investment Market (AIM) of the LSE). He has been appointed recently as Chairperson of Calnex Solutions plc, a UK-based company, which designs, produces and markets test and measurement instrumentation and solutions for the telecoms and cloud computing industries.

Non-Resident



Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE - Age 71



POSITION:
Independent Non-Executive Director

Non-Executive Director since November 2014. Jean-Jacques is a member of the Strategy Committee and the Remuneration, Corporate Governance, Ethics & Sustainability Committee. He is also the Chairperson of the Group's Corporate Sustainability Committee (a sub-committee of the Remuneration, Corporate Governance, Ethics & Sustainability Committee).

QUALIFICATIONS:
'Diplôme de l'Institut d'Etudes Politiques de Paris – Section Economique et Financière' (France) and MBA in Finance (USA)

SKILLS AND EXPERIENCE:
Jean-Jacques started his career in 1977 as Financial Advisor at Deep River Beau Champ Limited (currently CIEL Limited, involved notably in sugar, textiles and finance) prior to joining the World Bank Group in 1980 under the Young Professionals Program. He integrated the International Finance Corporation where he worked on financing of agro-industrial projects in several countries in West Africa. Since 1987, he acted as Principal Operations Officer within the World Bank successively for the Latin America, Europe and Central Asia and Africa regions. Moreover, he was appointed Cluster Leader of the World Bank's HNP Division for West Africa in 2008 before acting as Sector Manager for the African region in 2011-2012. He was also a member of the Health, Nutrition and Population worldwide Sector Board.

Non-Resident



Georges Michael David LISING -
Age 50



M

POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2018. Michael is a member of the Strategy Committee.

QUALIFICATIONS:

BSc (Honours) in Accounting and Financial Analysis and Chartered Accountant (UK)

SKILLS AND EXPERIENCE:

Michael has a long experience in the retail industry. He currently heads the Lising Group and occupies the position of Managing Director. Prior to joining the Lising Group, Michael has worked for Ernst & Young (UK) and De Chazal Du Mée & Co. (Mauritius) where he was responsible for various consultancy projects and conducted assignments for the World Bank in Rwanda, Tanzania, Madagascar and Burkina Faso.

He previously sat on the Council of the University of Mauritius and was a member of the Executive Committee of Young Presidents Organisation. He is also a Director of MCB Factors Ltd, a subsidiary of MCB Group Ltd.



Alain REY - Age 63



M

POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2015. Alain is a member of the Risk Monitoring Committee.

QUALIFICATIONS:

BSc (Honours) in Economics and Chartered Accountant (UK)

SKILLS AND EXPERIENCE:

Alain has acquired wide financial experience, having been Manager at Citibank NA (Paris) and Regional Corporate Manager at Barclays Plc in Mauritius. He also has a long experience in the textile industry and was namely Financial Director at Corotex, General Manager at Shape Fabrics Ltd and has served as Senior Vice President and Chief Financial Officer at Novel Denim Holdings Ltd, a NASDAQ listed company. He has also been the Chief Executive Officer at Compagnie de Mont Choisy Ltée, a company involved in agricultural and property development activities. He was previously a director of AfrAsia Bank Ltd, State Bank of Mauritius Ltd and SBM Holdings Ltd.

DIRECTORSHIPS IN OTHER LISTED COMPANIES:

Terra Mauricia Ltd; New Mauritius Hotels Ltd

AC	Audit Committee
RCGESC	Remuneration, Corporate Governance, Ethics & Sustainability Committee
RMC	Risk Monitoring Committee
SC	Strategy Committee
SMC	Supervisory & Monitoring Committee
C	Committee Chair
M	Committee Member



San T SINGARAVELLOO - Age 49



POSITION:

Independent Non-Executive Director

Non-Executive Director since November 2018. San is Chairperson of the Audit Committee.

QUALIFICATIONS:

BSc in Economics and Statistics (South Africa), BSc (Honours) Operation Research (South Africa), LLM International Business Law (France) and Fellow of the Institute of Faculty of Actuaries (UK)

SKILLS AND EXPERIENCE:

San is a qualified actuary with over 23 years of experience across the sub-Saharan Africa region, the UK and the Netherlands. Her experience spans an array of disciplines in the insurance fields with particular interest in developing markets. She has worked for various regional and international companies including Old Mutual (Cape Town), and PwC (London and Amsterdam). She currently heads the Aon Global Benefits Africa Unit. She is the Chairperson of Anglo African Investments Ltd and is a director on Happy World Property Ltd.



Mandate of the Board

The Board defines the Group's purpose, strategy and values and determines all matters relating to the directions, policies, practices, management and operations of the Company and all its subsidiaries locally and abroad. The Board thereafter ensures that the Group is being managed in accordance with its directions and delegations.

Key facts (FY 2021/22)



Responsibilities

The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Board Charter of MCB Group Ltd, which provides, *inter alia*, for the following:

- the composition of the Board with an appropriate balance of executive, non-executive and independent directors;
- the Chairperson of the Board who may be an independent non-executive director;
- the setting-up of Board committees;
- the approval of strategic objectives, policies and corporate culture and values as well as their communication throughout the organisation;
- the monitoring of Management Executives in respect of the implementation of Board plans and strategies, and compliance with set policies;
- the existence of clear lines of responsibility and accountability throughout the organisation and compliance with all relevant laws, regulations and codes of business practice;
- a formal and transparent directors' remuneration policy;
- the oversight of the Group's ethics performance;
- the review of procedures and practices to ensure soundness and effectiveness of the Group's internal control systems;
- the establishment of a robust Enterprise Risk Management system, with a view to ensuring that key risks across each Group entity are effectively addressed and that risk discussions are duly elevated to Board level;
- the setting of principal guidelines and policies in respect of risk management and conduct of business for the Company; and
- the provision of timely and accurate information to shareholders, relevant authorities and the public.

Approval of the Board is specifically required for, amongst other important matters, modifying the Company's Constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, making appointments of senior officers, and establishing the remuneration of executive and non-executive directors and chief executives.

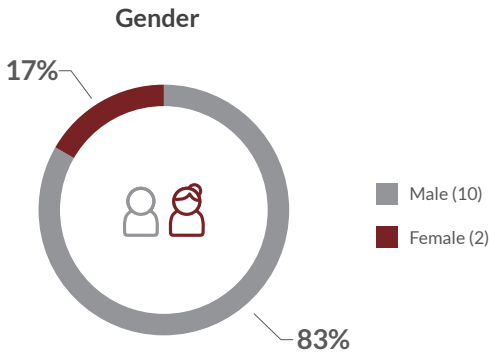
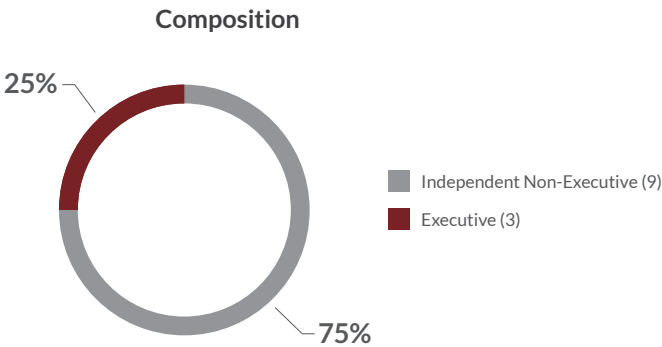
Corporate governance report

Composition and meetings

Composition

As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors, with at least two executive directors and two independent directors. The Chairperson of the Board may be independent. The Board, assisted by the Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC), regularly reviews its size and composition, including the independence status of the non-executive directors.

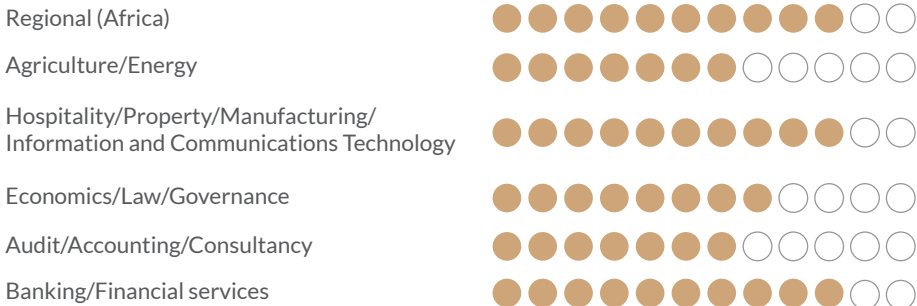
As at 30 June 2022, the Board consisted of 12 members, with a diverse mix of skills, knowledge and experience. The average age of Board members stood at around 63 years. The Board composition for the year under review is shown hereafter.



Length of tenure

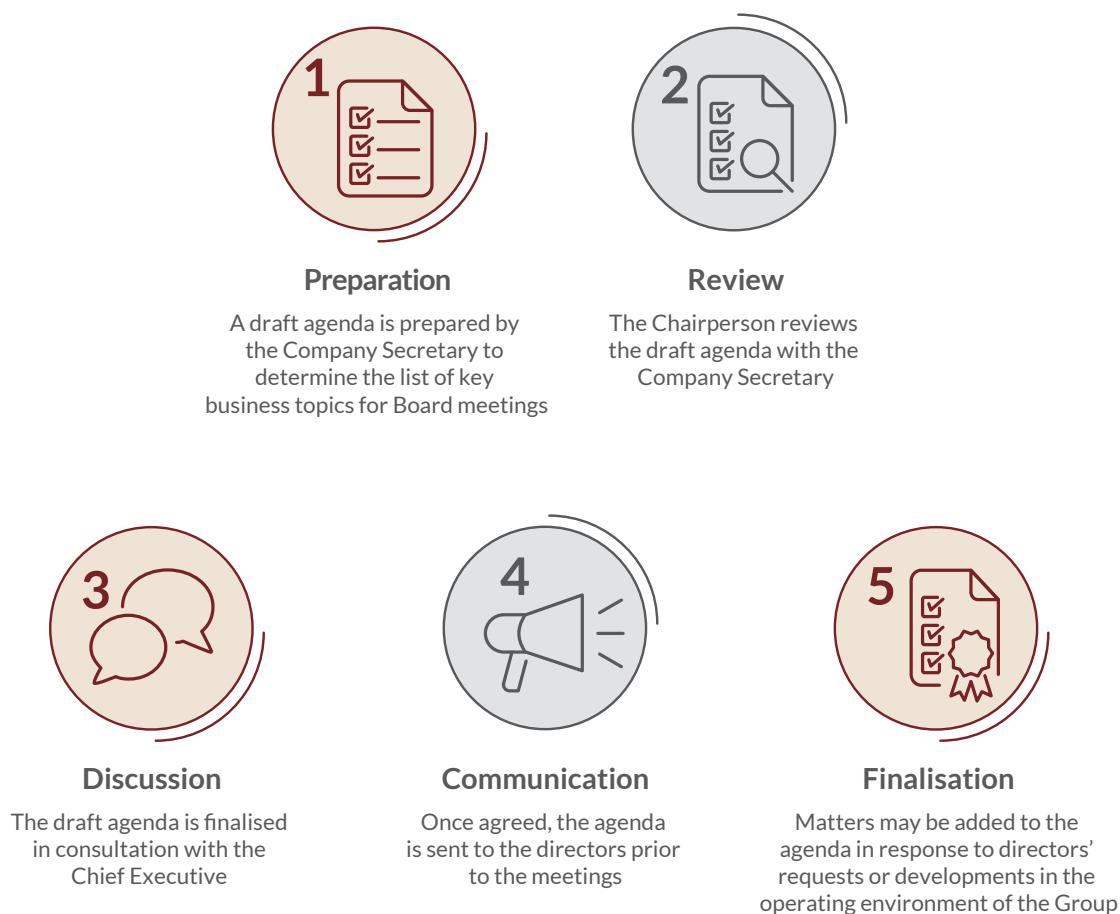


Mix of skills and experience



Meetings

The Board determines the frequency of Board meetings in such a way as to ensure that it can focus on and deal with important matters in a timely and efficient manner. In this respect, the Board Charter requires that meetings be conducted at least on a quarterly basis. Although Board meetings follow an annually scheduled calendar and a provisional agenda of items for discussions, the latter remains sufficiently flexible to include new topics while additional meetings are also called upon to effectively respond to new business needs. In general, meetings are convened so that directors are able to attend and participate in person. In case personal attendance by a director is not possible, the latter can still join the meeting by video conference. In the financial year under review, the Board has resumed holding onsite meetings whilst adhering to the COVID-19 social distancing measures, with the possibility for directors to participate virtually. Directors receive Board papers in a timely manner to facilitate discussions and help make informed decisions at the meetings. All materials for Board meetings are uploaded onto a secure portal, which can be accessed by directors on tablet devices. Of note, members of the Management team and/or external advisors are sometimes invited to attend meetings to discuss topical issues identified by the Board. The Chairperson presides over the Board meetings to ensure their smooth functioning and promotes open discussions and debates with the objective of maximising participation and, as a result, upholding the quality of decision-making. The Company Secretary attends Board meetings and prepares minutes to record deliberations and decisions taken during meetings. The agenda-setting process is described in the diagram hereafter.



Corporate governance report

Board focus areas

A summary of the main undertakings of the Board during the financial year is provided below:

STRATEGY AND PERFORMANCE

- Updated on the global and regional economic and operating context as well as their impact on the Mauritian economy and Group activities
- Assessed the implications for MCB Ltd of Moody's potential ratings downgrade of Mauritius
- Reviewed and endorsed the strategic plans and budgets of all the banking and non-banking subsidiaries of the Group
- Examined the progress made on the growth pillars of MCB Group and MCB Ltd
- Apprised of initiatives as part of the Group's corporate sustainability agenda and briefed on the Group's sustainable finance strategy and proposed governance framework based on the recommendations of an external consultant
- Monitored the progress of the Digital and HR Transformation projects
- Discussed the strategic orientations of MCB's Global & International Corporates segment and the review of its Global Markets Treasury Management function
- Updated on the mandate and strategic orientations of MCB's Dubai office following its new licence to operate as an advisory office
- Apprised of the role of the Customer Lab function and briefed on the results from the assessment of customer experiences



FINANCIAL

- Assessed and monitored the Group's financial performance against budget
- Approved the implementation of a Scrip Dividend Scheme
- Discussed the Group's long term capital requirements
- Approved the modalities of the conversion of preference shares
- Approved the financial budget



GOVERNANCE AND RISK

- Reviewed and approved the structure, size and composition of the Board and Board committees
- Reviewed the Board and Committee Charters and other constitutive documents
- Approved the recommendations of the Board evaluation exercise and monitored the implementation of the updated action plan
- Reviewed and approved the succession plan at senior executive level as well as the composition of the Leadership talent pipeline and list of high potentials
- Approved the setting up of a Group Executive Coordination Committee upon the recommendation of the RCGESC
- Reviewed and approved the Risk Heat Map of the Group
- Reviewed the cybersecurity framework and monitored ongoing initiatives aiming at progressively improving the maturity assessment of the cybersecurity function within the Group

RECURRENT AGENDA ITEMS

- Approved the minutes of proceedings
- Reviewed reports from Chairpersons of Board committees
- Approved Communiqués/Announcements as required by the relevant rules and regulations
- Reviewed and approved the Group's consolidated accounts on a quarterly basis
- Approved the issue of share options under the Group Employee Share Option Scheme
- Debriefed on the Annual Meeting of Shareholders
- Updated on trends and developments in the operating environment



Corporate governance report

Board attendance

The directors who served on the Board and their attendance at Board meetings during FY 2021/22 are provided in the following table:

Members	Board member since	Board status as at 30 June 2022	Meeting attendance
Didier HAREL <i>(Chairperson as from September 2016)</i>	November 2015	Independent Non-Executive Director	10/10
Karuna BHOOJEDHUR-OBEEGADOO	November 2015	Independent Non-Executive Director	10/10
Constantine CHIKOSI	November 2019	Independent Non-Executive Director	7/10
Jean-Philippe COULIER	December 2020	Independent Non-Executive Director	9/10
Stephen DAVIDSON	December 2020	Independent Non-Executive Director	10/10
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	November 2014	Independent Non-Executive Director	10/10
Georges Michael David LISING	November 2018	Independent Non-Executive Director	10/10
Alain REY	November 2015	Independent Non-Executive Director	10/10
San T SINGARAVELLOO	November 2018	Independent Non-Executive Director	10/10
Gilbert GNANY	April 2014	Executive Director	9/10
Jean Michel NG TSEUNG	November 2016	Executive Director	10/10
Pierre Guy NOEL	April 2014	Executive Director	9/10

Secretary to the Board: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Remuneration philosophy

With human capital viewed as critical to the development of its strategy, the Group lays significant emphasis on employing the right people with the right skills and behaviours while rewarding them adequately. A summary of the remuneration philosophy of employees and directors is provided hereafter.

Employees

Fair remuneration

The Group aims at promoting a fair and competitive remuneration that encourages performance and assists in attracting and retaining talent.

Our remuneration policy is based on meritocracy and ensures that:

- Comprehensive protection is provided, at the lower end of the income ladder, against cost of living increases
- Fairness and equity are promoted throughout the organisation
- Opportunity is given to employees to benefit from the financial results and development of the Group:
 - o Staff members of the Group receive an annual bonus based on the Group's performance as well as an assessment of their contribution thereto and for demonstrating behaviours in line with the Group's values
 - o Staff members have the added possibility to benefit from a share option scheme

Remuneration package

Generally, the remuneration package is anchored on a range of factors including qualifications, skills scarcity, past performance, individual potential, market practices, responsibilities shouldered and experience.

With a view to defining appropriate remuneration levels, the Group is also guided by the following considerations:

- Market conditions are regularly surveyed in order to ensure that remuneration packages are motivating and competitive
- Superior team performance is highly encouraged and rewarded with adequate incentives
- Remuneration practices are regularly reviewed to reflect the current context while putting due emphasis on both individual and team performances

Employee benefits

The Group provides a range of fringe and other benefits to its employees to promote their well-being and to help them grow in their personal life. Examples of such benefits at the level of MCB Ltd are as follows:

- The Bank currently makes a pension contribution, representing 18.1% of employees' basic salaries, with the possibility for employees under the Defined Contribution Scheme to opt, depending on their age group, to receive part thereof, up to a threshold, by way of a cash supplement;
- The Bank provides employees with loans under preferential conditions;
- The Bank grants employees a monthly travelling allowance, with the amount varying according to their job grades; and
- The Bank also provides a contributory medical coverage for all employees and their dependents.

Corporate governance report

Group Employee Share Option Scheme

The Group Employee Share Option Scheme (GESOS) in place provides eligible employees with the opportunity to partake in the growth and prosperity of the Group through the acquisition of shares in MCB Group Ltd. This acts as an additional lever to promote a performance culture alongside upholding staff motivation and commitment across the organisation. Under the scheme, employees are granted non-transferable options to buy MCB Group Ltd shares with up to a maximum of 25% of their annual performance bonus. The options, which can be exercised over a period of one year through four specific windows, carry a retention period of three years. The option price is based on the average of the share price over the quarter prior to the date on which the options are granted, to which a discount of 10% is applied. Management is, however, not entitled to such discount. Once issued, the shares rank *pari passu* as to dividend, capital, voting rights and in all other respects with the existing shares of MCB Group Ltd. The following table gives details of the options granted to and exercised by employees of the Group in the last financial year.

	Management	Other employees	Total
Number of options granted in October 2021	122,992	519,526	642,518
Initial option price (Rs)	299.00	269.25	-
Number of options exercised to date	36,258	109,895	146,153
Value (Rs)*	10,841,142	29,589,229	40,430,371
Percentage exercised	29%	21%	23%
Number of employees	11	557	568
Available for the 4 th window and expiring in mid-October 2022	86,734	409,631	496,365

*Based on initial option price

Directors

Executive directors

In line with the policy for employees, remuneration for executive directors consists of a base salary and short-term benefits, which reflect their respective responsibilities and experience, as well as a variable element in the form of an annual bonus, determined by the financial performance of the Group, on the one hand, and their individual performance appraisal, on the other. The remuneration modalities are aimed at motivating and retaining top-level talents, in key senior executive positions.

Non-executive directors

The Group's remuneration philosophy concerning non-executive directors, who do not hold an executive position within the Group, is summarised as follows:

- There is a basic retainer fee for each individual non-executive director reflecting the workload, size and complexity (national/international) of the business as well as the responsibility involved;
- The basic retainer fee paid to the non-executive Chairperson commensurately reflects the fact that he has a wider scope of responsibilities and a heavier workload, compared to other non-executive directors;
- Board committee basic retainer fees also apply to non-executive directors, with the fees differing in accordance with the time required for preparation, the frequency and the duration of committee meetings. Chairpersons of committees are paid a higher basic retainer fee than members, in line with the rationale outlined in the previous point;
- There is, in addition, an attendance fee for non-executive directors in respect of their presence at meetings of the Board, respective Board committees, as well as Annual Meeting of Shareholders; and
- No share option or bonus is granted to non-executive directors.

The following table highlights the remuneration and benefits received by the directors during the financial year.

Remuneration and benefits received (Rs '000)	From the holding company	From subsidiaries	Total
Didier HAREL	3,843	-	3,843
Karuna BHOOJEDHUR-OBEEGADOO	916	109	1,025
Constantine CHIKOSI	593	-	593
Jean-Philippe COULIER	876	491	1,366
Stephen DAVIDSON	943	-	943
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	890	-	890
George Michael David LISING	632	138	770
Alain REY	645	94	739
San T SINGARAVELLOO	996	-	996
Total Non-Executive	10,333	832	11,165
Pierre Guy NOEL	32,553	-	32,553
Gilbert GNANY	21,330	-	21,330
Jean Michel NG TSEUNG	11,615	15,756	27,371
Total Executive	65,498	15,756	81,254
Total (Non-Executive and Executive)	75,831	16,588	92,419

Note: Figures may not tally due to rounding

Directors' interests and dealings in securities

With regard to directors' dealings in the Group's securities, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the 'Model Code for Securities Transactions by Directors of Listed Companies' as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules.

The Company Secretary maintains a Register of Interests of directors, which is available for consultation to shareholders upon written request to the Company Secretary. Upon their appointment, all new directors are required to notify in writing to the Company Secretary their holdings as well as the holdings of their closely related parties in the Group's securities.

Corporate governance report

The following tables itemise the interests of the directors in the Group's listed securities as at 30 June 2022 as well as related transactions effected by the directors during the financial year. None of the directors had any interest in the securities of the subsidiaries of MCB Group Ltd other than in the equity of Fincorp Investment Ltd.

Interests in MCB Group Ltd Ordinary shares as at 30 June 2022	Number of Ordinary shares	
	Direct	Indirect
Jean-Philippe COULIER	20,500	19,500
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	88	-
Gilbert GNANY	293,423	87,608
Georges Michael David LISING	11,722	45,245
Jean Michel NG TSEUNG	53,391	-
Pierre Guy NOEL	1,449,479	1,040
Alain REY	6,172	-
San T SINGARAVELLOO	-	5,000

<i>Transactions during the year</i>	Number of Ordinary shares					
	Purchased		Sold		Others	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Gilbert GNANY	15,943	2,608	-	-	-	-
Jean Michel NG TSEUNG	16,708	-	-	-	-	-
Pierre Guy NOEL	121,877	-	-	-	-	-
Alain REY	-	-	-	-	1,332	-

Interests in MCB Group Ltd Preference shares as at 30 June 2022	Number of Preference shares	
	Direct	Indirect
Gilbert GNANY	-	20,000

Interests in MCB Group Ltd Senior Unsecured Floating Rate Notes as at 30 June 2022	Number of Notes	
	Direct	Indirect
Jean-Philippe COULIER	-	4,000

Interests in MCB Group Ltd Unsecured Floating Rate Notes as at 30 June 2022	Number of Notes	
	Direct	Indirect
Georges Michael David LISING	-	3,000

Interests in Fincorp Investment Ltd as at 30 June 2022	Number of shares	
	Direct	Indirect
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	550	-
Gilbert GNANY	69,000	-
Pierre Guy NOEL	782,416	-

Directors' service contracts

There was no service contracts between the Company and its directors during the financial year.

Related party transactions

The Board is ultimately responsible for establishing and implementing appropriate policies on conflicts of interests and related party transactions and for administering the process for handling such transactions within the Group. Assisted by the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the Board exercises this responsibility, through:

- monitoring and reporting by Senior Management within the Company and its subsidiaries in respect of related party transactions;
- regular review of related party exposures, including those pertaining to Senior Management at the level of the Company and its subsidiaries; and
- formal review and ratification of the Conflicts of Interest and Related Party Transactions Policy as applicable.

Related party transactions of the Group were conducted in line with relevant internal policies and guidelines. For related party transactions, please refer to Note 39 of the Financial Statements.

 More information on the 'Conflicts of Interest and Related Party Transactions Policy' is available on the website

Board committees

The Board has delegated authority to various Board committees to provide specialist guidance and make recommendations, through established reporting mechanisms, on areas and matters entrusted to them. Each committee has its own charter, as approved by the Board and reviewed as required, which sets out, *inter alia*, its roles, responsibilities, composition and meeting requirements. The mandate, composition and focus areas covered during the financial year of the five Committees namely: (i) Audit Committee; (ii) Remuneration, Corporate Governance, Ethics and Sustainability Committee; (iii) Risk Monitoring Committee; (iv) Strategy Committee; and (v) Supervisory and Monitoring Committee, are set out hereafter.

Corporate governance report

Audit Committee (AC)

Mandate

The AC assists the Board in the oversight of MCB Group Ltd and its subsidiaries on matters relating to the safeguarding of assets, the monitoring of internal control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

Key facts (FY 2021/22)



Composition and meetings

As per its Charter, the AC shall consist of a minimum of three non-executive members, with a majority of independent directors from whom the Chairperson shall be nominated. The Chairperson of the Board and the Chief Executive shall not be a member of the AC. The Committee meets at least four times a year corresponding to the Company’s quarterly reporting cycle and on an ad hoc basis when required. A member of the Risk Monitoring Committee may be requested to attend the AC whenever deemed appropriate. The Committee also holds consultations with the Chairpersons of Audit Committees of subsidiaries as deemed appropriate. The directors who served on the AC and their attendance at committee meetings during FY 2021/22 are provided in the following table:


Members	Committee member since	Board status as at 30 June 2022	Meeting attendance
San T SINGARAVELLOO (Chairperson)	December 2018	Independent Non-Executive Director	8/8
Karuna BHOOJEDHUR-OBEEGADOO	January 2021	Independent Non-Executive Director	7/8
Stephen DAVIDSON	January 2021	Independent Non-Executive Director	8/8

Secretary: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Focus areas in FY 2021/22

Key topics discussed

- Interim and audited consolidated financial statements published by the Group with recommendations made to the Board
- Reports from internal and external auditors and actions taken accordingly
- Internal and external audit reports of all subsidiaries
- Compliance plans and reports of all subsidiaries
- Permanent supervision review
- Operational risk review
- Cyber & information security review
- HR risk review
- Adequacy of allowance for credit impairment
- Audit plans of internal and external auditors

 More information on the Audit Committee Charter is available on the website

Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC)

Mandate

The RCGESC assists the Board with respect to all remuneration aspects, corporate governance matters and nomination of directors and senior executives of MCB Group Ltd and all its subsidiaries. Moreover, it oversees the succession planning exercise as regards Group senior executives as well as key management positions and reviews the list of high potential managers within the Group, on an annual basis. The RCGESC through its sub-committee, MCB Group Corporate Sustainability Committee, which also includes directors from MCB Ltd, monitors the implementation of the Group's corporate sustainability agenda.

Key facts (FY 2021/22)



Composition and meetings

As per its Charter, the RCGESC shall consist of at least three members, the majority of whom shall be independent non-executive directors. The Chairperson shall be an independent non-executive director and shall normally be the Chairperson of the Board. The Chief Executive may be a member of the Committee. The Committee meets at least twice a year and on an ad hoc basis when required. The directors who served on the RCGESC and their attendance at committee meetings during FY 2021/22 are provided in the following table:

Members	Committee member since	Board status as at 30 June 2022	Meeting attendance
Didier HAREL (<i>Chairperson</i>)	September 2016	Independent Non-Executive Director	4/4
Karuna BHOOJEDHUR-OBEEGADOO	February 2016	Independent Non-Executive Director	3/4
Stephen DAVIDSON	January 2021	Independent Non-Executive Director	4/4
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	January 2019	Independent Non-Executive Director	3/4
Pierre Guy NOEL	July 2014	Executive Director	4/4

Secretary: MCB Group Corporate Services Ltd (represented by Marivonne OXENHAM)

Focus areas in FY 2021/22

Key topics discussed

- Re-election of directors as Board members
- Board and Board committees composition
- Appointment of senior executives and Board members at subsidiaries' level
- Succession plan for leadership roles within the organisation
- Group's general remuneration policy
- Directors' fees for Board and Board committees
- Sustainable finance strategy and related governance framework
- Setting up of a Group Executive Coordination Committee
- Review of the 'Corporate Governance Report' forming part of the Annual Report
- Review of the Board evaluation assessment
- Review of Board/Committee Charters and other constitutive documents

 More information on the Remuneration, Corporate Governance, Ethics and Sustainability Committee Charter is available on the website

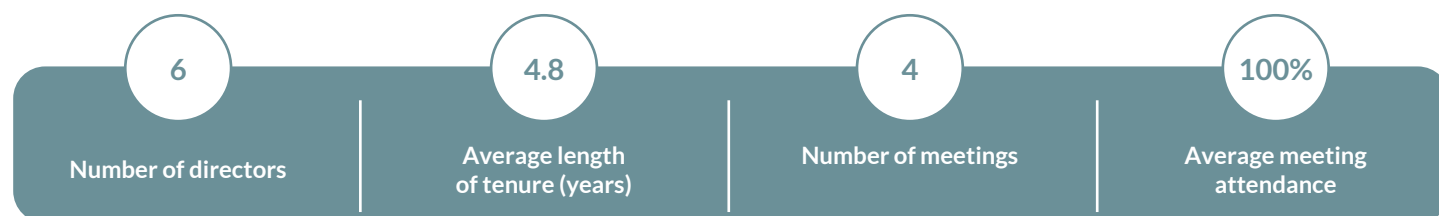
Corporate governance report

Risk Monitoring Committee (RMC)

Mandate

The RMC assists the Board in setting the tone from the top so as to embed and maintain an appropriate risk culture. It guides the elaboration of risk mitigation strategies and exercises oversight on how this is operationalised across all the subsidiaries of MCB Group. It also advises the Board on risk issues and monitors the risk of the different portfolios against the set risk appetite of the subsidiaries.

Key facts (FY 2021/22)



Composition and meetings

As per its Charter, the RMC shall consist of at least three members, including the Chief Executive, with a majority of non-executive directors. The Chairperson of the Committee shall be a non-executive director and shall not be the Chairperson of the Board. The RMC meets at least quarterly and on an ad hoc basis when required. The directors who served on the RMC and their attendance at committee meetings during FY 2021/22 are provided in the following table:

Members	Committee member since	Board status as at 30 June 2022	Meeting attendance
Jean-Philippe COULIER (<i>Chairperson</i>)	January 2021	Independent Non-Executive Director	4/4
Didier HAREL	February 2016	Independent Non-Executive Director	4/4
Alain REY	January 2021	Independent Non-Executive Director	4/4
Jean Michel NG TSEUNG (<i>also acts as Secretary</i>)	January 2019	Executive Director	4/4
Gilbert GNANY	July 2014	Executive Director	4/4
Pierre Guy NOEL	July 2014	Executive Director	4/4

Focus areas in FY 2021/22

Key topics discussed

- Impact of COVID-19 on asset quality, provisioning, expected credit losses and risk appetite of the Group
- COVID-19: Forward-looking analysis on deferments and moratoriums granted to clients
- Impact of the Ukraine-Russia conflict on the global and regional scenes and their repercussions on the economies where the Group operates
- The Group's risk appetite, especially in view of the surge in oil prices as a consequence of the Ukraine-Russia conflict
- Risk management framework and risk policies of the Group and its subsidiaries
- Reports from the Group's banking entities and non-banking subsidiaries covering the principal risks (notably credit, market, liquidity) and actions taken to mitigate them
- Adequacy of capital, funding and liquidity requirements of the Group and of the banking subsidiaries, including stress testing of financial soundness under different scenarios
- Risk portfolios of the banking subsidiaries against set limits
- Key risks of specific non-banking subsidiaries
- Implementation of the Enterprise Risk Management framework within the Group
- Review of Risk Heat Maps, covering strategic, financial, operational and compliance risks
- Asset quality metrics of the Group
- Review of economic and operating environment locally and in presence countries

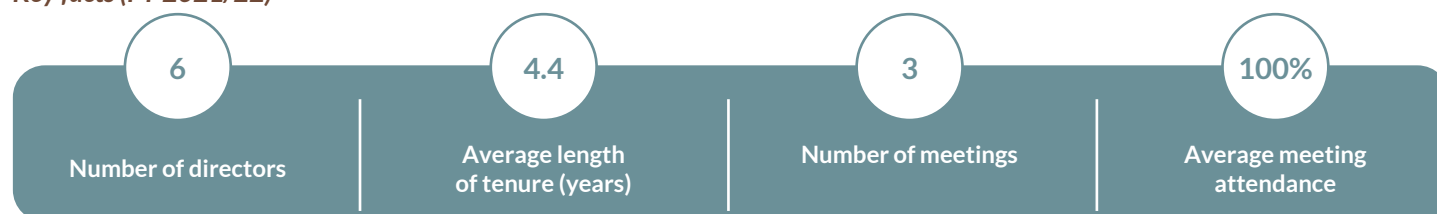
 More information on the Risk Monitoring Committee Charter is available on the website

Strategy Committee (SC)

Mandate

The SC assists the Board in overseeing the business strategy of MCB Group Ltd and its subsidiaries and measures the latter's performance against set objectives whilst ensuring that capital allocation is appropriate. In addition, it helps the Board in assessing major financial and investment plans and other material issues that affect the development of the Group.

Key facts (FY 2021/22)



Composition and meetings


As per its Charter, the SC shall consist of at least five members with a majority of non-executive directors. The Chief Executive shall also be a member of the Committee. The Chairperson of the Committee shall be a non-executive director and shall normally be the Chairperson of the Board. The Committee meets at least four times in a year and on an ad hoc basis when required. The Chairperson of MCB Ltd and Chief Executives of entities of the Group may be invited to attend SC's meetings as and when required. The directors who served on the SC and their attendance at committee meetings during FY 2021/22 are provided in the following table:

Members	Committee member since	Board status as at 30 June 2022	Meeting attendance
Didier HAREL (<i>Chairperson</i>)	November 2016	Independent Non-Executive Director	3/3
Constantine CHIKOSI	January 2020	Independent Non-Executive Director	3/3
Jean-Jacques DUPONT DE RIVALZ DE ST ANTOINE	November 2016	Independent Non-Executive Director	3/3
Georges Michael David LISING	January 2021	Independent Non-Executive Director	3/3
Gilbert GNANY (<i>also acts as Secretary</i>)	November 2016	Executive Director	3/3
Pierre Guy NOEL	November 2016	Executive Director	3/3

Focus areas in FY 2021/22

Key topics discussed

- Progress on key strategic initiatives across the Group
- Implications of the Ukraine-Russia conflict on the business activities of the Group
- Latest credit opinion by Moody's for Mauritius and implications for MCB Ltd of Moody's potential ratings downgrade of the country
- Funding and capital adequacy of the Group to support its growth
- Leveraging Dubai's International Finance Centre in furtherance of the Group's international footprint
- Scrip dividend scheme and related considerations/implications
- Update on the Group's long-term strategy exercise, investment opportunities and way forward
- Career architecture and remuneration framework being elaborated to better serve the Group's ambitions
- Review of the Strategy Committee charter
- Strategic orientations of MCB's Global & International Corporates segment

 More information on the Strategy Committee Charter is available on the website

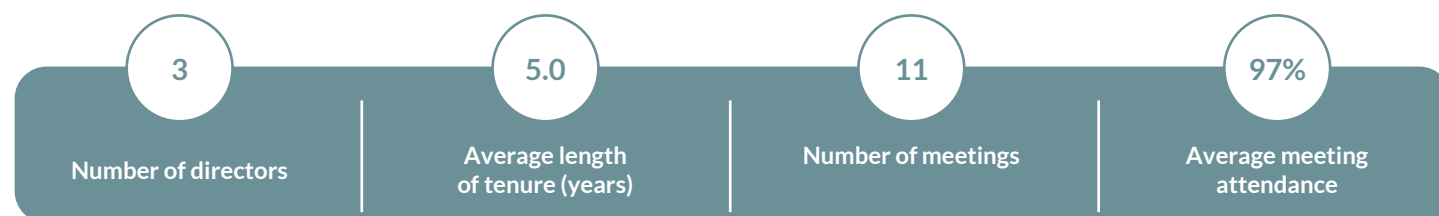
Corporate governance report

Supervisory and Monitoring Committee (SMC)

Mandate

The SMC assists the Board in overseeing the overall management of MCB Group Ltd and its subsidiaries as well as in providing direction and guidance on major policy matters. It also monitors and measures the Group's performance against set objectives, in line with the strategic orientations.

Key facts (FY 2021/22)



Composition and meetings

As per its Charter, the SMC shall consist of a minimum of three members, including the Chairperson, the Chief Executive and any other executive director of the Company. Chief Executives of the subsidiaries of MCB Group Ltd may be invited to attend SMC's meetings as required. The SMC shall meet regularly and on an ad hoc basis when required. The directors who served on the SMC and their attendance at committee meetings during FY 2021/22 are provided in the following table:

Members	Committee member since	Board status as at 30 June 2022	Meeting attendance
Didier HAREL (<i>Chairperson</i>)	July 2017	Independent Non-Executive Director	11/11
Jean Michel NG TSEUNG (<i>also acts as Secretary</i>)	July 2017	Executive Director	10/11
Pierre Guy NOEL	July 2017	Executive Director	11/11

Focus areas in FY 2021/22

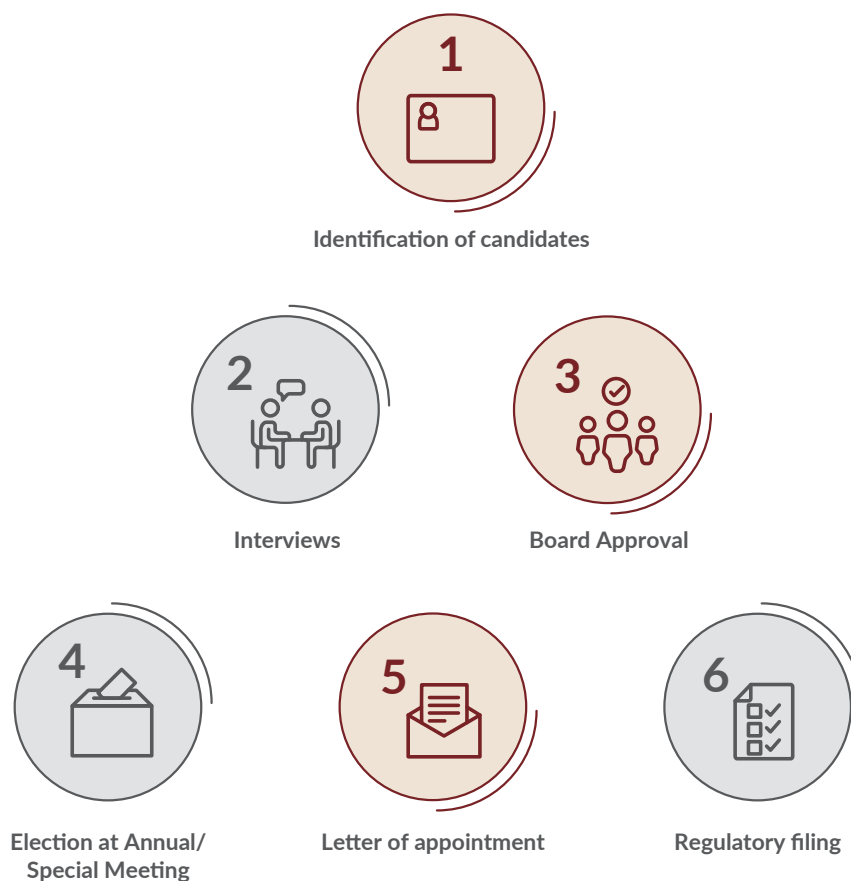
Key topics discussed

- Impact of COVID-19 and Ukraine-Russia conflict on the strategy, financial performance and operations of the Group
- Implementation of approved strategies and major policies
- Progress made on major transformation projects
- Capital adequacy considerations at both Group and Bank levels and relevance of hybrid capitals (additional Tier 1 and Tier 2) to address increasing Risk Weighted Assets
- Review of the general economic conditions and specific market trends locally and abroad as well as the evolution of key sectors amidst the challenging and volatile context
- Impact of inflation on cost of living and implications in relation to salary review policy
- Implications for MCB Ltd of Moody's potential ratings downgrade of Mauritius
- Dividend pay-out proposal of the Group for approval by the Board
- Recruitment of potential candidates in senior executive positions within the Group as well as resignations and movements of key senior personnel
- Culture Alignment programme
- Major litigations and market movements that can have a material/significant impact on the Group
- Insurance coverage review for the Bank and the Group
- Legal, operational and compliance matters impacting MCB Group
- Follow-up on the recommendations of the various Board committees
- Benchmarking of the Bank's and Group's performance with other local and international banks
- Corporate sustainability initiatives
- Transition plan between the CE and CE Designate, including the review of Group executive forums

Board effectiveness

Nomination process

The Board has a formal and transparent process in place for the nomination and appointment of directors. In fulfilling this duty, the Board is supported by the Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC), which is responsible for overseeing Board directorship's renewal and succession planning. The RCGESC reviews the size, structure and composition of the Board on an annual basis or whenever appointments are considered. In so doing, it seeks to promote diversity of perspectives to enable a smooth execution of the Group's strategy in a dynamic operating environment. The RCGESC is responsible for identifying candidates, carrying out interviews and recommending potential directors to the Board for its approval. The selection criteria used to assess prospective candidates relate, amongst others, to their background, specific skills, expertise, knowledge and experience, including the value the individual can bring to the overall Board performance. The RCGESC also considers gender diversity, time commitment and independence in the assessment of candidates. The nomination and appointment process of directors for the Board is highlighted in the diagram below.



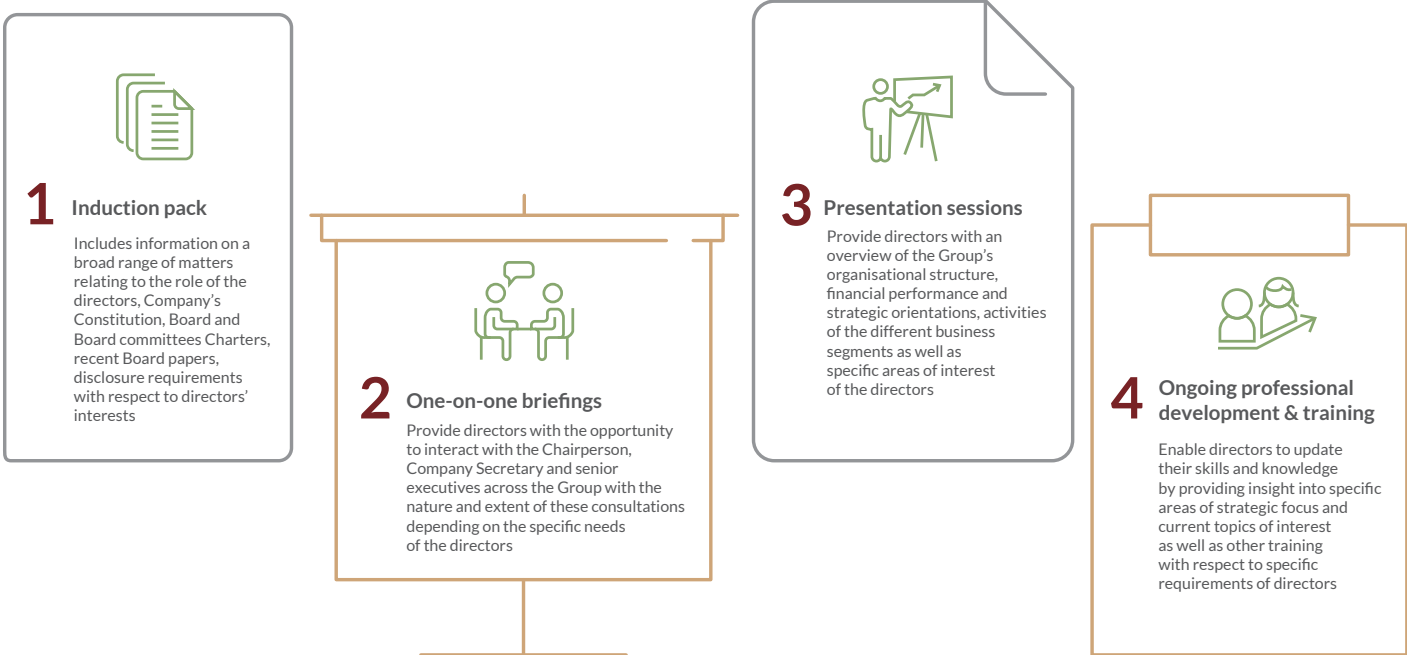
Whilst seeking to retain a core set of directors with long-standing knowledge, the Board recognises the importance of rotation of Board members to ensure that there is a good balance between continuity and fresh perspectives on the Board. It is worth highlighting that at each Annual Meeting, one third of Board members, notably those who have been longest in office, are required to retire, while being eligible to stand for re-election.

Corporate governance report

Board induction and training

All new directors, upon joining the Board, receive a comprehensive induction programme tailored to their specific requirements. The training seeks, *inter alia*, to make them aware of their legal duties and facilitate their understanding of the Group's business strategy, governance, business operations as well as the key issues that it faces. The programme's objective is to enable directors to be well equipped from the outset to effectively contribute to strategic discussions and oversight of the Group.

Continuous development of directors is deemed essential to maintaining a highly engaged, well-informed and effective Board. In this respect, the Board has established an ongoing training and development programme for directors, which is reviewed on a regular basis to ensure its pertinence. A training log is maintained for each director by the Company Secretary. During the year under review, directors participated in a workshop titled 'Board-Level Strategies for Managing Cyber Risk Effectively', in collaboration with the Mauritius Institute of Directors, which provided them with some insights into the appropriate structures and processes to deal effectively with cyber risks. They also attended an in-house e-learning course on general security awareness in relation to cyber-attacks and threats, including an online test to assess their understanding. In the same vein, directors participated in an in-house e-learning course on data confidentiality and information security, notably pertaining to the applicable legislative framework in Mauritius and MCB's internal procedures. In view of the 2021 UN Climate Change Conference (COP26), the directors attended a webinar delivered by a specialist in the field, enabling them to have an overview of the main commitments taken at COP26 and their repercussions on small island states, as well as the role of financial institutions in tackling climate change. An outline of the induction and training programme is set out in the diagram hereafter.



Note: Briefing and reading materials are made available on the Board Portal for consultation.

Board/Directors' performance

The Board recognises the need to undertake a regular review of its performance and effectiveness, as well as those of its committees and individual members. The last evaluation was undertaken with the support of an independent external facilitator under the oversight of the Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC). The latter decided to reappoint Ernst and Young Ltd in June 2022 to undertake a refreshed Board evaluation exercise based on the governance topics assessed in their previous exercise in 2019. In this respect, a refresher interview was carried out with directors who participated in the last exercise, notably in terms of progress made, whilst a full interview was conducted with new directors to obtain their insights on the same governance matters. The outcome of the assessment concluded that the Board and its committees are operating effectively and that directors continue to fulfil their roles as required. The report, which was presented to the Board, also identified a few areas for improvement, with an action plan subsequently agreed upon. The Chairperson of the Board, with the support of the RCGESC, has been monitoring the implementation of the action plan to ensure that issues identified are given due consideration within a reasonable timeframe.

An outline of the evaluation process methodology used in FY 2021/22 is provided in the diagram hereafter.



Corporate governance report

Risk governance


Risk management and internal control


The Board has the ultimate responsibility to maintain an effective risk management and internal control system, which it regularly reviews to cater for the principal and emerging risks that may affect the achievement of the Group's strategic objectives. Supported by the Risk Monitoring Committee, the Board ensures that the necessary structures, processes and methods for identification, evaluation and monitoring of the principal risks faced by the Group are integrated into the latter's overall risk governance framework. In this respect, during the year, the Group has consolidated the Enterprise Risk Management framework across relevant subsidiaries. The Board has received assurance, through the regular reporting by the Chairpersons of relevant committees, on the adequacy of the risk management processes and systems in place over the period under review.

The Board, assisted by the Audit Committee, ensures that the internal control framework in place results in an acceptable level of risk exposure while guaranteeing compliance with established internal policies and procedures and relevant laws and regulations. The Internal Audit, Compliance and Risk (for non-financial risk matters) functions regularly report to the Audit Committee. In addition to feedback from Audit Committees of subsidiaries, the Audit Committee receives feedback from the Company's external auditor and engages with the latter in the absence of Management Executives to ensure that there are no unresolved material issues of concern. Based on the work performed by internal and external auditors, reviews by Management Executives and regular reporting from the Chairperson of the Audit Committee, the Board satisfies itself that the internal control systems are adequate and effective.

Information governance


The Group places significant emphasis on the confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to protect its information asset and uphold the security and performance of information and Information Technology (IT) systems. The Board is responsible for setting up and regularly reviewing relevant policies and for ensuring that they are appropriately implemented through adequate structures and processes. In this respect, access to information is only available to authorised parties. Physical and logical access controls are in place at all times with staff being regularly made aware of relevant requirements. The Group continues to invest in technology to enhance its operational resilience with significant investments monitored by the Board. During the year, we undertook several initiatives to further enhance the robustness of the cyber and information security framework, in the process leveraging external expertise and subject matter specialists to reinforce our cyber response capabilities. Internal Audit provides independent assurance on the suitability of the Group entities' information and IT policies while the Audit Committee evaluates the effectiveness of related internal control systems.

 More details on information governance is available in the 'Information, Information Technology and Information Security Governance Policy' on the website

 More information is available in the 'Risk and capital management report' on pages 150 to 193

Internal audit

The primary role of Internal Audit is to assist the Board in upholding the assets and reputation of the Group. The aim of internal audit is to assess the policies, methods and procedures in place at the organisation in order to cater for their adequate application. It is responsible for independently assessing the effectiveness of key controls, including those within the risk management framework, and providing timely reporting to the Audit Committee with a view to strengthening the internal control framework. Whilst the Internal Audit SBU of MCB Ltd provides independent assurance over the internal control systems at Bank level, its scope of activity also encompasses other Group entities in line with its Group wide mandate. In this respect, it reports to the Audit Committee and/or Board of each subsidiary as well as to the Audit Committee of the Group, which acts as the overarching authority.

 More information is available in the 'Risk and capital management report' on pages 150 to 193

External auditors

With a view to ensuring the overall adequacy of the Group's internal control framework, the Audit Committee evaluates the independence, effectiveness and eligibility of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention. The proposal to reappoint Deloitte, which was first appointed in December 2020 as external auditor, was approved at the Annual Meeting of Shareholders of MCB Group Ltd, held in December 2021. As regards the timeframe, the total duration of the audit assignment is for a period of one year with the possibility of reappointing the selected firm annually, subject to regulatory provisions and approval at the Annual Meeting of Shareholders of MCB Group Ltd.

Non-audit services

MCB Group Ltd, via the Audit Committee, has a process in place to ensure that there is no threat to the objectivity and independence of external auditors in the conduct of the audit that could result from the provision of non-audit services by them. As such, non-audit services, which are limited to ad hoc advice and other assurance-related services, are pre-approved by the Audit Committee.

Auditors' fees and fees for other services

	2022		2021	
	The Group	The Company	The Group	The Company
	Rs '000	Rs '000	Rs '000	Rs '000
Audit, Quarterly Review and Internal Control Review fees paid to:				
Deloitte Mauritius	21,755	1,064	18,234	1,000
BDO & Co	7,608	-	6,976	-
Other firms	3,256	-	1,687	-
Fees for other services provided by:				
Deloitte Mauritius	2,099	-	3,450	-
Other firms	252	-	147	-

Note that the fees for other services relate to comfort on dividend, comfort on transfer pricing and AML/CFT review.

Corporate governance report

Directors of MCB Group Ltd subsidiaries

The Board composition of the subsidiaries is given hereafter, with the corresponding Chairpersons as well as Chief Executives or Managing Directors (where applicable) sitting on the respective Boards being mentioned. Changes in the Board composition during the FY 2021/22 and to date are also highlighted.

Subsidiary	Cluster	Directors
MCB Investment Holding Ltd	Banking	Jean-François DESVAUX DE MARIGNY (Chairperson) Jean Michel NG TSEUNG (Chief Executive) Margaret WONG PING LUN
The Mauritius Commercial Bank Ltd	Banking	Jean-François DESVAUX DE MARIGNY (Chairperson) Uday Kumar GUJADHUR Johanne JOSEPH (as from January 2022) Philippe LEDESMA Alain LAW MIN (Chief Executive Officer) Jean Michel NG TSEUNG Su Lin ONG Simon WALKER
MCB Madagascar SA	Banking	Jean-François DESVAUX DE MARIGNY (Chairperson) Gilbert GNANY Patrick LE GUEN (Deputy Managing Director) Jean Michel NG TSEUNG Pierre Guy NOEL Rony RADAYLALL (Managing Director) Patrick RAZAFINDRAFITO
MCB (Maldives) Private Ltd	Banking	Pierre Guy NOEL (Chairperson) Jean-François DESVAUX DE MARIGNY Gilbert GNANY Désiré LEO (Managing Director up to August 2022) Laila MANIK Jean Michel NG TSEUNG Marcello Chee Yan LEUNG HING WAH (as from November 2021)
MCB Seychelles Ltd	Banking	Pierre Guy NOEL (Chairperson) Regis BISTOQUET (Deputy Managing Director) Jean-François DESVAUX DE MARIGNY Gilbert GNANY Bernard JACKSON (Managing Director) Jean Michel NG TSEUNG

Subsidiary	Cluster	Directors
MCB Capital Markets Ltd (MCBCM)	Non-Banking Financial	Pierre Guy NOEL (Chairperson) Couldip BASANTA LALA Bertrand DE CHAZAL Gilbert GNANY Rony LAM YAN FOON (<i>Chief Executive Officer</i>) Jeremy PAULSON-ELLIS Catherine SWANEPOEL Gilles TRANCART
MCB Investment Services Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Rony LAM YAN FOON Aakesh UMANEE
MCB Registry & Securities Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Rony LAM YAN FOON Marivonne OXENHAM Vimal ORI
MCB Stockbrokers Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Rony LAM YAN FOON Jeremy PAULSON-ELLIS Shivraj RANGASAMI (<i>Managing Director</i>)
MCB Capital Partners Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Couldip BASANTA LALA Rony LAM YAN FOON Catherine SWANEPOEL
MCB Investment Management Co. Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Couldip BASANTA LALA Ameenah IBRAHIM (<i>Managing Director</i>) Rony LAM YAN FOON Michaël NAAMEH Jeremy PAULSON-ELLIS Catherine SWANEPOEL Gilles TRANCART
MCB Structured Solutions Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Ferial AUMEERALLY (<i>as from December 2021</i>) Divya BASANTA LALA (<i>until August 2021</i>) Robert IP MIN WAN Rony LAM YAN FOON Vimal ORI
CM Diversified Credit Ltd (a subsidiary of MCBCM)	Non-Banking Financial	Gilbert GNANY (Chairperson) Ferial AUMEERALLY (<i>as from December 2021</i>) Divya BASANTA LALA (<i>until August 2021</i>) Robert IP MIN WAN Rony LAM YAN FOON Vimal ORI

Corporate governance report

Subsidiary	Cluster	Directors
CM Structured Finance Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Gilbert GNANY (Chairperson) Divya BASANTA LALA <i>(until August 2021)</i> Rony LAM YAN FOON Anish GOORAH Vimal ORI
CM Structured Products Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Gilbert GNANY (Chairperson) Divya BASANTA LALA <i>(until August 2021)</i> Ferial AUMEERALLY <i>(as from December 2021)</i> Robert IP MIN WAN Rony LAM YAN FOON Vimal ORI
MCB Leveraged Solutions Ltd <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Gilbert GNANY (Chairperson) Rony LAM YAN FOON Shivraj RANGASAMI
MCB Financial Advisers <i>(a subsidiary of MCBCM)</i>	Non-Banking Financial	Gilbert GNANY (Chairperson) Rony LAM YAN FOON
MCB Equity Fund Ltd	Non-Banking Financial	Bertrand DE CHAZAL (Chairperson) Karuna BHOOJEDHUR-OBEEGADOO Pierre Guy NOEL
MCB Leasing Ltd <i>(a subsidiary of Fincorp Investment Ltd)</i>	Non-Banking Financial	Simon Pierre REY (Chairperson) Raj GUNGAH <i>(Managing Director)</i> Martine IP MIN WAN Johanne JOSEPH Jean Michel NG TSEUNG Anju UMROWSING-RAMTOHUL
MCB Factors Ltd	Non-Banking Financial	Margaret WONG PING LUN (Chairperson) Jean-Philippe COULIER Koomaren CUNNOOSAMY Jean-Mée ERNEST <i>(Managing Director)</i> Michael LISING Pierre Guy NOEL
MCB Microfinance Ltd	Non-Banking Financial	Pierre Guy NOEL (Chairperson) Paul CORSON Jean-Philippe COULIER Gilbert GNANY Aurélie LECLEZIO <i>(Chief Executive Officer)</i> Alain REY

Subsidiary	Cluster	Directors
MCB Real Assets Ltd (MCBRA)	Non-Banking Financial	Margaret WONG PING LUN (<i>Chairperson</i>) Pierre Guy NOEL Gilbert GNANY
Compagnie des Villages de Vacances de L'Isle de France Ltée (a subsidiary of MCBRA)	Other Investments	Margaret WONG PING LUN (<i>Chairperson</i>) Gilbert GNANY Robert IP MIN WAN Pierre Guy NOEL Jean Marc ULCOQ
Fincorp Investment Ltd	Other Investments	Jean-Pierre MONTOCCHIO (<i>Chairperson</i>) Sunil BANYMANDHUB Jean-Philippe COULIER Marivonne OXENHAM Margaret WONG PING LUN
MCB Properties Ltd	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) Gilbert GNANY
MCB Consulting Services Ltd	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) Jean-Michel FELIX (<i>Chief Executive Officer</i>) Gilbert GNANY
MCB Institute of Finance Ltd	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) Marc DESMARAIS Jean-Michel FELIX Gilbert GNANY Dhiren PONNUSAMY
MCB Group Corporate Services Ltd	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) Gilbert GNANY Marivonne OXENHAM (<i>Managing Director</i>)
Mascareignes Properties Ltd (Incorporated in Seychelles)	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) Regis BISTOQUET Jean-François DESVAUX DE MARIGNY Gilbert GNANY Bernard JACKSON Jean Michel NG TSEUNG

Corporate governance report

Subsidiary	Cluster	Directors
MCB International Services Ltd (Incorporated in Seychelles)	Other Investments	Jean-François DESVAUX DE MARIGNY (<i>Chairperson</i>) Regis BISTOQUET Gilbert GNANY Bernard JACKSON Jean Michel NG TSEUNG
MCB Forward Foundation	Other Investments	Didier HAREL (<i>Chairperson</i>) Jean-François DESVAUX DE MARIGNY Gilbert GNANY Alain LAW MIN Madeleine DE MARASSE ENOUF Pierre Guy NOEL
Blue Penny Museum	Other Investments	Pierre Guy NOEL (<i>Chairperson</i>) (<i>as from November 2021</i>) Jean-François DESVAUX DE MARIGNY Vanessa DOGER DE SPEVILLE Damien MAMET

Directors of subsidiaries' remuneration

The remuneration and benefits paid to directors of subsidiaries, who did not sit on the Board of MCB Group Ltd during the financial year, are shown below.

Remuneration and benefits received (Rs '000)	2022	2021
Executive (Full-time)	172,162	179,173
Non-executive	13,238	14,028
Total	185,400	193,201

Shareholder relations and communication

The Board is committed to promoting an open and transparent communication in relation to its engagement with shareholders with a view to building trust and maintaining strong relationships with them. The Group upholds an ongoing dialogue with shareholders and provides them with clear, accurate and relevant information to help them make informed decisions, while also providing them with the opportunity to share their views through different forums. Shareholders are kept abreast of all material business developments that influence the Group in a transparent and timely manner through various communication channels. In addition to official press announcements and occasional press conferences, the Group website provides for an adapted and comprehensive self-service interface. The 'Investor Centre' section, regarded as the primary source of information for investors, enables shareholders to have access to a range of corporate documents and publications, e.g. quarterly financial results and related reports briefing as well as earnings calls, analyst meetings and roadshow presentations, amongst others. In addition, in order to receive updates on major corporate events and announcements instantly, shareholders are able to register for email alerts directly on the website. There is also an 'Investor Enquiry' section on the website, offering shareholders the opportunity to post their queries online. Complementing information on the 'Investor Centre', the corporate website also provides for a 'Sustainability' section where shareholders are kept informed of initiatives undertaken as part of the Group's corporate sustainability agenda, 'Success Beyond Numbers'. Considering its diverse range of shareholders and investors with different communication and engagement needs, there are dedicated teams within the Group to attend to their requirements.

Individual shareholders

The Group's Company Secretary oversees communication with retail shareholders, in collaboration with the Group's Registrar and Transfer Agent, MCB Registry and Securities Ltd. The latter caters for the information needs of retail shareholders that range from sending relevant correspondences to responding to their queries in a timely manner, in strict compliance with applicable rules and regulations. The Company Secretary escalates, as and when necessary, feedback from retail shareholders to the Board.

Institutional investors

The Group's Investor Relations (IR) Unit acts as the point of contact for institutional investors and is responsible for managing and developing relationships with existing and potential investors, with a view to achieving a stable and diversified shareholder base while supporting high liquidity in and fair valuation of MCB Group shares. During the financial year, the IR Unit has maintained a comprehensive Investor Relations engagement programme in order to provide investors with timely updates on the Group's strategy and financial performance as well as latest developments in the operating context. In addition to quarterly interactions with investors through, *inter alia*, results briefings and online earnings calls, the Group engaged with investors mostly via conference calls whilst also resuming on-site one-on-one meetings. In view of the prevalence of the COVID-19 pandemic, the Group's Executives participated in an international virtual roadshow, which was attended by institutional investors across different countries. The IR Unit keeps the Board up to date on key market trends as well as investor views and sentiment. An outline of the Group's engagement programme during the last financial year is set out hereafter.

Corporate governance report

Our engagement with investors during FY 2021/22



VIRTUAL EFG HERMES ROADSHOW

- Participated in virtual EFG Hermes roadshow (Dubai) in March 2022
- Interacted with some **20** international institutional investors and active fund managers

QUARTERLY EARNINGS CALLS/ ANALYST MEETINGS

- Some **40** participants on average interacted with MCB Group Executives
- Due to the COVID-19 prevailing sanitary protocols, analyst meetings were not held on-site and analysts were invited to participate in quarterly earnings calls



ANNUAL MEETING OF SHAREHOLDERS

- Annual Meeting of Shareholders held in December 2021
 - Whilst adhering to the COVID-19 prevailing sanitary protocols, the meeting was held on-site in two dedicated meeting rooms with virtual connectivity facilities in order to cater for a maximum number of shareholders
 - Shareholders who attended, were given the opportunity to express their views, ask questions and receive feedback directly from Board members

In FY 2021/22, the key topics discussed between Group Executives and investors revolved around, but were not limited to the following themes.



Corporate governance report

Shareholder information

Shareholding profile

Ordinary shareholders

The Group has a diversified ownership base of over 22,000 shareholders, with foreign shareholding accounting for around 9% of the total. As at 30 June 2022, outstanding ordinary issued capital of MCB Group Ltd amounted to Rs 3.1 billion, comprising 240.6 million ordinary shares. The following tables set out the 10 largest shareholders and ownership of ordinary share capital by size and type as at 30 June 2022.

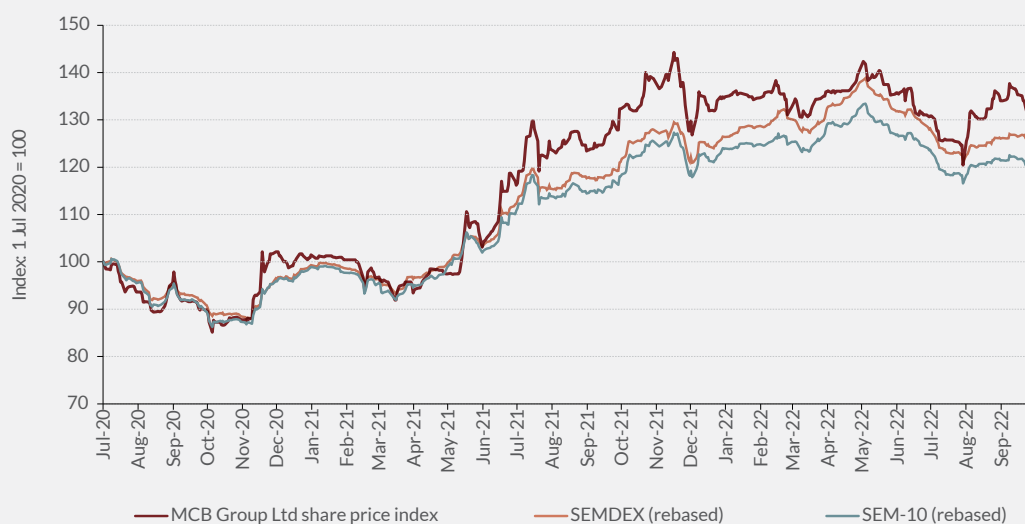
Largest shareholders	Number of shares owned	% Holding
National Pensions Fund	17,615,285	7.3
State Insurance Company of Mauritius Ltd	8,527,630	3.5
Swan Life Ltd	8,168,159	3.4
Promotion and Development Limited	7,190,573	3.0
BNYM SA/NV A/C Eastpring Investments SICAV-FIS	3,531,955	1.5
MUA Life Ltd	2,862,923	1.2
The Mauritius Commercial Bank Ltd Superannuation Fund	2,847,986	1.2
National Savings Fund	2,480,313	1.0
SSL C/O SSB Boston A/C Russell Investment Company PLC	2,088,831	0.9
New Mauritius Hotels Group Superannuation Fund	1,804,673	0.8

Size of shareholding	Number of shareholders	% Holding	Number of shares owned	% Holding
1-500 shares	14,494	64.9	1,585,847	0.7
501-1,000 shares	1,674	7.5	1,233,099	0.5
1,001-5,000 shares	2,998	13.4	7,330,181	3.0
5,001-10,000 shares	990	4.4	7,076,591	2.9
10,001-50,000 shares	1,463	6.6	32,990,184	13.7
50,001-100,000 shares	313	1.4	22,318,564	9.3
Above 100,000 shares	402	1.8	168,033,847	69.8
Total	22,334	100.0	240,568,313	100.0

Category	Number of shareholders	% Holding	Number of shares owned	% Holding
Individuals	21,178	94.8	122,427,435	50.9
Pension and Provident Funds	81	0.4	35,669,998	14.8
Investment and Trust Companies	129	0.6	24,420,158	10.2
Insurance and Assurance Companies	20	0.1	13,478,433	5.6
Other Corporate Bodies	926	4.1	44,572,289	18.5
Total	22,334	100.0	240,568,313	100.0

Performance of MCB Group

Performance of MCB Group share price against the market



Year ending June	2020	2021	2022
MCB Group			
Share price (Rs)			
High	350.00	279.00	339.00
Low	180.00	200.00	274.00
Average	285.57	228.92	311.62
Closing - Year end	236.00	273.00	307.50
Market capitalisation as at 30 June (Rs m)	56,464	65,381	73,975
Market capitalisation as % of SEMDEX ¹	28.0	28.9	27.2
Value of shares traded (Rs m)	4,951	4,100	4,770
MCB market share ² (%)	49	49	45
Earnings per share - Basic (Rs)	33.09	33.51	40.14
Price/NAV ratio (times)	0.9	0.9	0.9
Price earnings ratio (times)	7.1	8.1	7.7
Earnings yield (%)	14.0	12.3	13.1

¹ excludes foreign currency denominated, GBC1 and international companies

² excludes one-off transactions

Corporate governance report

Preference shareholders

As at 30 June 2022, MCB Group had 339,622,500 preference shares in issue, which were entitled to a fixed dividend of 4.7% per annum, payable in June and December of every year.

Holders of such preference shares also benefit from an option to have those shares converted into ordinary shares of the Group at various dividend payment dates. The first such conversion window occurred with the payment of the June 2022 preference dividend, whereby 70,734,772 preference shares were converted into 2,297,945 ordinary shares.

The next conversion window for the outstanding preference shares will occur with the payment of the December 2022 preference dividend.

Scrip dividend scheme

In September 2021, the Group launched its Scrip dividend scheme (the Scheme) with a view to further consolidating its capital base to support its future expansion and/or to provide the Group with additional capacity to improve its dividend pay-out. As part of the Scheme, ordinary shareholders are given the option of receiving their ordinary dividends, or part thereof, by way of ordinary shares of MCB Group Ltd (Scrip shares).

In relation to the ordinary dividends declared during the course of this financial year, shareholders elected to receive Scrip shares as follows:

Dividend payment date	Conversion rate (%)	Scrip share Rs million
December 2021	10.9	247.5
July 2022	16.5	234.1

Dividend policy

MCB Group Ltd normally seeks to distribute around one third of its profits in the form of dividends.

Taking into account the Earnings Per Share of Rs 40.13 for the financial year under review, the Board decided to apply part of the proceeds from the Scrip shares of Rs 481.6 million and declared a final dividend of Rs 8.00. This, together with the interim dividend per share of Rs 5.90 paid in July 2022, resulted in a total dividend pay-out of Rs 13.90 per share.

Shareholders agreements

There is currently no shareholders agreement affecting the governance of the Company by the Board.

Shareholders' diary



Statement of Directors' responsibilities

Company law requires the directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Group.

In preparing those Financial Statements, the directors are required to:

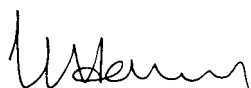
- ensure that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been adhered to, subject to any material departures disclosed, explained and quantified in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business;
- keep proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the Company while ensuring that the Financial Statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their operations and cash flows for that period; and
- ensure that the Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards, the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The directors confirm that they have complied with the above requirements in preparing the Financial Statements. The directors are also responsible for safeguarding the assets of the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. Other main responsibilities of the directors include the assessment of the Management's performance relative to corporate objectives; overseeing the implementation and upholding of the Code of Corporate Governance; and ensuring timely and comprehensive communication to all stakeholders on events significant to the Group.

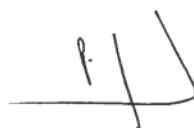
The directors hereby report that:

- adequate accounting records and an effective internal control system and risk management framework have been maintained;
- the Financial Statements fairly present the state of affairs of the Group and the Company, as at the financial year end, and the results of their operations and cash flows for that period;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been consistently used;
- the Financial Statements have been prepared in accordance with International Financial Reporting Standards, the Mauritius Companies Act 2001 and the Financial Reporting Act 2004; and
- the Financial Statements have been prepared on the going concern basis.

On behalf of the Board



M G Didier HAREL
Chairperson



Pierre Guy NOEL
Chief Executive

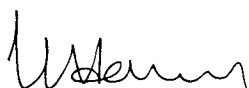
Statement of compliance

(Section 75(3) of the Financial Reporting Act)

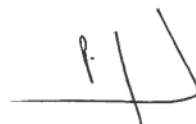
Name of Public Interest Entity ('the PIE'): MCB Group Limited

Reporting Period: 1 July 2021 to 30 June 2022

We, the Directors of MCB Group Limited, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance (2016).



M G Didier HAREL
Chairperson



Pierre Guy NOEL
Chief Executive

28 September 2022