



**2016**  
**ANNUAL REPORT**



## CORPORATE GOVERNANCE REPORT



“The Board advocates the conduct of business practices that display characteristics of good corporate governance - discipline, transparency, independence, accountability, fairness and social responsibility.”



### INTRODUCTION

The Board of Directors of The Mauritius Union Assurance Cy. Ltd (the Board) endorses the Code of Corporate Governance for Mauritius issued by the National Committee on Corporate Governance.

The Board advocates the conduct of business practices that display characteristics of good corporate governance, namely **discipline, transparency, independence, accountability, fairness and social responsibility**. The directors further confirm that the Company has striven to comply, in all material respects, with the principles of the Code and has provided the necessary explanations where appropriate.

### BOARD OF DIRECTORS

The Company has a Board consisting of ten directors, four of whom are independent non-executives, four non-executives and two executives, as at 31 December 2016.

This composition aims at achieving a balanced Board which has the **appropriate skills, experience, knowledge and independence** required for it to assume fully its responsibilities while discharging its duties effectively.

The strong executive management presence, as recommended by the Code, is ensured by the Chief Executive Officer, who is an appointed member of the Board, the Group Chief Finance Officer and the Managing Director of Life Insurance who, although not appointed members of the Board, attend all meetings and contribute actively to its deliberations. Other Senior Managers are invited to attend board meetings as and when deemed necessary.

The Board is ultimately responsible for the corporate policy and strategy of the Company and its subsidiaries and is governed inter alia by a Board Charter and Code of Ethics.

The Board **validates and monitors strategies, policies and business plans** as well as considers all statutory matters, including the approval of unaudited quarterly results for publication, audited financial statements, the declaration of dividends, the review of the Company's performance through budgets and forecasts and the Chief Executive Officer's report. In addition, the Board meets between scheduled meetings to address any matter that may require its attention.

There is a clear separation between the role of the Chairperson and that of the Chief Executive Officer. The Chairperson leads the Board, ensuring that all directors participate fully and constructively in the functioning of the Company and in the decision-making process. He acts as the main informal link between the Board and the management and, particularly, between the Board and the Chief Executive Officer. He ensures, with the Company Secretary's participation, unhindered access to information by all Board and Committee members so that they may contribute in a meaningful way to Board meetings and to other discussions and are able to take informed decisions.

The Chief Executive Officer's responsibilities encompass the development and recommendation of a long-term company vision and strategy that will generate satisfactory levels of shareholder value as well as positive and reciprocal relations with relevant stakeholders. He prepares the annual business plans and budgets to be presented to the Board, strives to achieve the company's financial and operating goals and objectives, and ensures that day-to-day business is professionally and appropriately monitored and managed. The Chief Executive Officer is responsible for the implementation of strategies and policies approved by the Board.

The independent non-executive directors bring to the Board a wide range of experience and skills.

Directors newly appointed to the Board go through an induction whereby they receive a pack of materials containing basic information on the Company such as contained in its constitution and its code of good conduct and are made aware of the restrictions in respect of dealings in shares and the disclosure obligations in case of conflicts of interest. Upon appointment, directors' interests, if any, are recorded in a Directors' Interest Register which is kept under the control of the Company Secretary and updated as and when required.

Being committed to professional development, the Board encourages its members to participate in appropriate forums in order to update and improve their skills and knowledge.

An appraisal of the Board and its directors was performed in November 2015 by an external consultant. It was planned going forward to carry such exercise every two years.

As recommended by the Code of Corporate Governance, all directors will stand for re-election at the annual meeting of shareholders. The Chairperson assumes his role for a pre-agreed period and is elected on an annual basis by the Board of Directors.



## DIRECTORS' PROFILE



**Mr Dominique Galea**  
Chairman

Director – appointed in 2010

Mr Dominique Galea, born in 1952, holds a degree from HEC (Hautes Etudes Commerciales, 77). He started his career in the clothing industry by setting up a buying office for overseas buyers (Kasa Textile Ltd). He has since diversified his activities by acquiring controlling stakes in Ducray Lenoir Ltd in 1988, and in Rey & Lenferna Ltd in 1998. He was appointed to the Board of The Mauritius Union Assurance Cy. Ltd in 2010 and was elected Chairman. Mr Galea is the Chairman of La Prudence (Mauricienne) Assurances Ltée, United Docks Ltd, Rey & Lenferna Ltd, Forges Tardieu Ltd and Phoenix Transafrica Holdings Ltd, Phoenix of East Africa Assurance Company Limited, and is a director of its three subsidiaries. He is also a director of Ascensia Ltd.

Directorship of listed companies: United Docks Ltd, Ascensia Ltd, Forges Tardieu Ltd.



**Mr Bertrand Casteres**  
Chief Executive Officer

Executive Director – appointed in 2014

Mr. Bertrand Casteres, born in 1978, holds a Master's degree in applied mathematics, actuarial science and finance and an Executive MBA from HEC (Paris).

Mr Casteres has worked for major insurance companies in Europe. Before joining the Mauritius Union Group in January 2012 as head of internal audit, he worked in the internal audit department of Aviva Europe as audit senior manager in the financial management and actuarial audit department, conducting internal audit reviews in actuarial processes across Aviva's European subsidiaries. He was also involved in the implementation of Solvency II EU Directive within the Aviva Group.

Mr Casteres was appointed CEO Designate of the Mauritius Union Assurance Cy. Ltd on 1 January 2013 and CEO in January 2015.



**Mr Vincent Ah Chuen**

Director – appointed in 1992

Mr Vincent Ah Chuen, born in 1944, is the Managing Director of ABC Group of Companies. He was appointed to the Board of The Mauritius Union Assurance Cy. Ltd in 1992. He is the Chairman of Associated Brokers Ltd and a Director of La Prudence (Mauricienne) Assurances Ltée. Mr Ah Chuen is Chairman of Policy Ltd and also a Director of Les Moulins de La Concorde Ltée, ABC Motors Co. Ltd, New Goodwill Investment Ltd and is a Council Member of Sir J.Moilin Ah Chuen Foundation. He is also a director of Phoenix Transafrica Holdings Ltd, of Phoenix of East Africa Assurance Co Ltd and two of its subsidiaries.

Directorship of listed companies: POLICY Ltd, Les Moulins de La Concorde Ltée, ABC Motors Co Ltd.



**Mr Alfred Bouckaert**

Director – appointed in 2013

Mr. Bouckaert born in 1946 holds a bachelor degree from the University of Louvain, Belgium.

He started his career at Arthur Andersen and joined the Chase Manhattan Bank in 1972 where he held various positions as Manager Commercial Banking Belgium, General Manager Chase Denmark, and General Manager Chase Belgium. In 1989, the Chase Manhattan sold most of its European operation to Credit Lyonnais where Mr. Bouckaert became CEO Belgium. He became in 1993 General Manager of the international operations of Crédit Lyonnais and was in charge of the divestiture of 21 banks of the group. Subsequently he joined AXA in 1999 where he was appointed General Manager of their Belgian acquisition "Royale Belge" (largest property/casualty company in Belgium) later rebranded Axa Belgium. In 2004 his responsibilities were extended to the northern region of AXA which comprises Belgium, Germany, Switzerland (with the acquisition of Winterthur), the central European countries, Ukraine and Russia. Mr Bouckaert became a member of the directoire of AXA in 2006. He retired from Axa in 2010 and was later asked by the Belgian government to preside over the Belgian arm of Dexia which had collapsed in 2011.

He left that responsibility in 2013 and now holds positions in several boards of non-quoted and quoted companies outside Mauritius.



**Mr Bruno De Froberville**

Director – appointed in 2010

Mr Bruno de Froberville, born in 1962, is currently the General Manager and owner of Square Lines Ltd, a property development company. He has extensive knowledge of the building sector. From 2005 to 2008 he worked with La Prudence (Mauricienne) Assurances Ltée for property development. He was the general manager and owner of B.E.A.M. Ltd (a residential and industrial buildings company) between July 1994 and December 2004, and the manager of Building Art Ltd from July 1988 to June 1994. He was also the marketing manager of Loom Art Ltd, a manufacturer of hand-made carpets. He was appointed to the Board of The Mauritius Union Assurance Cy. Ltd in August 2010.

Mr de Froberville holds an MBA from the University of Birmingham, a Bachelor in Science with a Major in Marketing from Louisiana State University.

Directorship of listed companies: Mauritius Freeport Development Co Ltd.



**Mrs Mélanie Faugier**

Director – appointed in 2010

Mrs Mélanie Faugier, born in 1980, is the Managing Director of Cottons Trading Ltd and Senior Homes Ltd. From June 2004 to July 2007, she was the Trading Manager of Thon des Mascareignes (which belongs to the IBL Group). She also worked for Schlumberger Oilfield Services in Equatorial Guinea and for Association Solidari'terre in Madagascar. Mrs Faugier was appointed to the Board of The Mauritius Union Assurance Cy. Ltd in July 2010. Mrs Faugier is a director of Phoenix Transafrica holdings, of Phoenix of East Africa Assurance Co Ltd and two of its subsidiaries.

Mrs Faugier holds a DEUG in economics from University of Paris I – Panthéon Sorbonne and an MSc in Management from EM Lyon School of Management.

## DIRECTORS' PROFILE



**Mr Angelo Letimier**  
Director – appointed in 2014

Mr. Angelo Letimier, born in 1948, is an experienced banking executive with international experience. He has enjoyed a stimulating career with MCB Ltd in two-times slots: 1966-1992 and 2005 till today.

He was responsible for establishing the first Credit Card Program of Mauritius in 1988 and opening the Representative Office of the bank in Paris in 1990. In 1992, he joined MasterCard International Inc as Senior Vice President and General Manager Middle East & Africa Region based in Paris for 8 years.

Since he returned to Mauritius, he launched the first non-bank Credit Card operations for Rogers, now operating under the CIM Group. He was the General Manager of Cirne Financial Services from 2002 to 2004 now IPRO. He has also served as a director of Investec Bank (Mauritius) Ltd – 2000-2004; Bramer Investment Management Co Ltd – 2000-2001; AXA Assistance Océan Indien – 2005-2010; Director of Happy World Ltd – 2004 to date.

In 2008, he created, as a subsidiary of the MCB Group, ICPS Ltd (International Card Processing Services Ltd), a company involved in all aspects of Card Processing for banks and financial institutions. He is the Managing Director of ICPS.

As from 2016, Mr. Letimier has been appointed as non-executive director of MCB Consulting Services and HPS Switch Morocco (The national switch for payment).



**Mr Lakshmana (Kris) Lutchmenarraido**  
Executive Director – appointed in 2011, resigned on 14 November 2016

Mr Lakshmana (Kris) Lutchmenarraido, born in 1951, worked for the State Bank of Mauritius from 1973 to 1986 and holds a Banking Diploma from FinAfrica Institute. He was promoted to management level in 1978 and was the Assistant General Manager of the bank from 1982 to 1986. In 1987, he joined the Mauritius Leasing Company Ltd as General Manager before being appointed Managing Director in 1997 and President of the Financial Services arm of the British American Group from 1999 to 2002. He joined Mauritius Post Ltd in July 2002 as Executive Chairman and was appointed Chief Executive Officer of the Mauritius Post and Cooperative Bank Ltd in May 2003. In September 2005, he left the bank to join Mauritours Ltd as General Manager. He joined La Prudence (Mauricienne) Assurances Ltée in September 2007 as General Manager of the general insurance department and was appointed to the board on 28 May 2010.

Mr Lutchmenarraido has been the Chief Executive Officer of The Mauritius Union Assurance Cy. Ltd from 2011 to 2014. He was appointed as Managing Director of Phoenix of East Africa Assurance Company Limited in July 2014 up to April 2016, and he is also a Board Member of Phoenix of Rwanda Assurance Company Limited.



**Mr Ashraf Musbally**  
Executive Director – appointed in 2016

Mr Musbally, born in 1969, graduated in 1993 from City University, London, in Insurance & Investment. He holds an MBA from Imperial College, London, and is a Fellow of the Chartered Insurance Institute (FCII). He worked as Management Consultant at Kemp Chatteris Deloitte & Touche before joining La Prudence (Mauricienne) Assurances Ltée in 1997 to manage and develop its health insurance department, a post he held until 2004, when he was appointed Chief Operations Officer – General Insurance.

Mr Musbally kept the same position after the merger of the activities of Mauritius Union Assurance Cy Ltd with La Prudence (Mauricienne) Assurances Ltée in 2010, and in January 2012 he took the responsibility of the Underwriting Department of the General Insurance.

He was promoted to Head of the General Insurance cluster in January 2014.

In April 2016, Mr. Musbally has been appointed Group Managing Director of Phoenix of East Africa Assurance Company Limited.



**Mr Mushtaq Oosman**  
Director – appointed in 2016

Mr Mushtaq Oosman was a Partner in PwC Mauritius since 01 July 1991. He was primarily an Assurance Partner, also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board. Mr. Oosman has over 25 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. He retired from PwC in November 2015. He trained and qualified as a Chartered Accountant with Sinclairs in the UK, joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius) and have been with PwC since then. Mr Oosman is a fellow of the Institute of Chartered Accountants in England and Wales.

Directorship in listed companies: ENL Land Ltd, Automatic Systems Ltd.



**Mr Arjoon Suddhoo**  
Director – appointed in 2010

Mr. Arjoon Suddhoo, born in 1958, holds a BSc (1st Class Hons) in aeronautical engineering, a PhD in computational mathematics from the University of Manchester and an MBA (Distinction) from the University of Liverpool. He is a Fellow of the Mauritius Academy of Science and Technology, a Fellow of the Mauritius Institute of Directors, Fellow of the Royal Aeronautical Society and Founder President of the Aeronautical Society of Mauritius. Mr Suddhoo started his career in 1986 as a research scientist at Rolls Royce Aerospace Ltd, UK, which he left in 1993 as the research and development manager. He is currently the Executive Director of the Mauritius Research Council, a post he occupies since 1999. He also holds directorships in various other private and governmental organizations and was the Chairman of Air Mauritius Ltd from 2001 to 2005.

He was appointed to the Board of The Mauritius Union Assurance Cy. Ltd in August 2010.

Since March 2015, Mr Suddhoo is the Chairman of Air Mauritius Ltd, a listed company.

## DIRECTORS' PROFILE



**Mr. Brian Ah-Chuen**  
Alternate Director

Mr. Brian Ah-Chuen, born in 1967, holds a Bachelor of Business Administration Honours degree from Schulich School of Business, York University, Toronto, Canada.

He is currently an executive director of ABC Banking Corporation Ltd (listed on the DEM of the Stock Exchange of Mauritius) as its Strategic Business Executive. He was previously the Executive Director of several companies in the ABC Group including Chue Wing & Co. Ltd (Foods), ABC Autotech Ltd (Automobile) and Marina Resort (Hospitality). He is currently a Non-Executive Director of ABC Motors Company Limited (also listed on the DEM). He is also a Fellow Member of the Mauritius Institute of Directors.

Mr. Brian Ah-Chuen is the Alternate Director of Mr Vincent Ah-Chuen since 2016.



**Mr. Antoine Galea**  
Alternate Director

Mr Antoine Galea, born in 1986, is currently Customer Experience Manager at Rey & Lenferna Ltd. Before joining Rey & Lenferna Ltd, from 2012 to 2016, he occupied various positions at Labelling Industries Ltd, Berque Ltee and Narrow Fabrics Ltd, such as Operations Manager, Sales Manager and Supply Chain Manager. Mr Galea Also worked for Ernst and Young Mauritius in the Audit team from 2009 to 2012.

Mr Galea holds a Bachelor of Business and Administration in Marketing and Finance.

Mr. Antoine Galea is the Alternate Director of Mr Dominique Galea since 2016.

### Executive Director's Service Contract

Mr. Bertrand Casteres has no fixed term contract. Mr. Ashraf Musbally was appointed Group Managing Director of Phoenix of East Africa Assurance Company Limited (PEAL) in April 2016 and has no fixed term contract.

### Contracts of Significance

There was no contract of significance subsisting during the year to which the Company, or one of its subsidiaries, was a party and in which a director was materially interested, either directly or indirectly.

### Changes in Directorship

Messrs Mushtaq Oosman and Ashraf Musbally were appointed as independent non-executive and executive directors in April 2016; appointments re-conducted by the shareholders of the Company during the annual meeting in June 2016.

Mr Lakshmana Lutchmenaraidoo submitted his resignation from the Board and its Committees on 14 November 2016.

### Directors' Interests in Shares of the Company

The direct and indirect interests of the directors in the ordinary shares of the Company as at 31 December 2016, together with the category they fall in, are set out in the table below:

DIRECTORS	CATEGORY	NO. OF SHARES	
		Direct	Indirect
Mr Vincent Ah-Chuen	Non-Executive	356,370	360,679
Mr Alfred Bouckaert	Independent Non-Executive	1,125	-
Mr Bertrand Casteres	Executive	1,325	-
Mr Bruno de Froberville	Non-Executive	52,999	718,027
Mrs Mélanie Faugier	Non-Executive	1,310	2,405,215
Mr Dominique Galea	Non-Executive	283,137	6,128,929
Mr Angelo Letimier	Independent Non-Executive	2,125	-
Mr Ashraf Musbally	Executive	1,400	-
Mr Mushtaq Oosman	Independent Non-Executive	8,437	-
Mr Arjoon Suddhoo	Independent Non-Executive	1,000	-

### Related Party Transactions and Conflicts of Interests

The Board of Directors has adopted a Code of Conduct providing amongst others clear guidance on disclosures of interests that may arise. For related party transactions, please refer to note 40 of the Financial Statements.

### Directors' Dealing in Shares

The directors of the Company follow the principles of the Model Code for Securities Transactions as detailed in Appendix 6 of the Listing Rules in all their dealings.

During the year under review, share dealings by directors and their associates were as follows:

NAME OF DIRECTORS	Acquired Direct	Acquired Associates	Disposed of Associates
Mr Vincent Ah Chuen	-	-	(2,040)
Mr Dominique Galea	243,437	251,832	-

## COMMITTEES OF THE BOARD

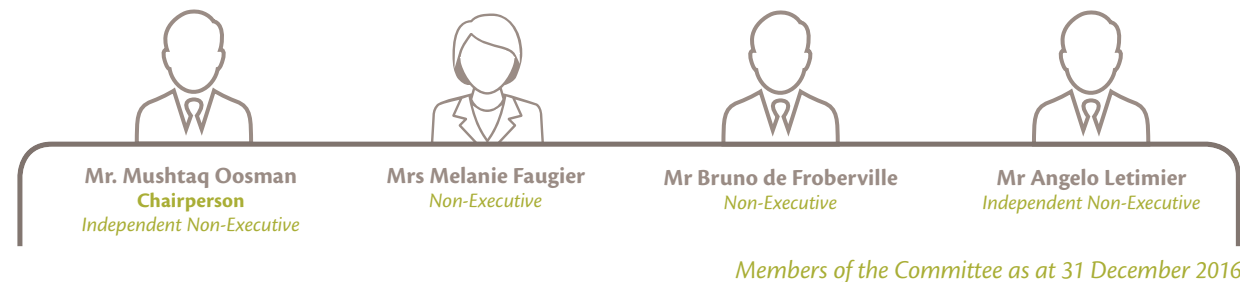
During the course of 2016, the Audit & Risk Committee was split into two committees, namely the Audit Committee and the Risk Committee to enhance focus on each function separately. As a result, there are now four committees - Audit Committee; Risk Committee; Assets and Liabilities Committee; and Corporate Governance, Nomination and Remuneration Committee.

These four committees assist the directors in the discharge of their duties through a comprehensive evaluation of specific issues. They may seek information from any employee of the Company in order to correctly perform their duties.

The Committees may, at the Company's expense, request such independent external professional advice that they consider necessary to perform their duties.

The Chairpersons of the four committees are invited to report to the directors during board meetings.

### (1) Audit Committee



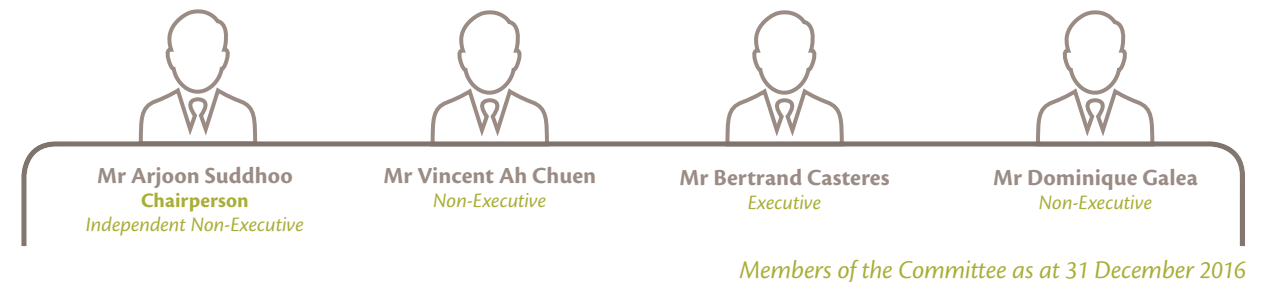
The terms of reference of the Audit Committee were reviewed and updated further to the creation of the Risk Committee.

The Audit Committee focuses on :

- the functioning of the internal control system and internal audit
- the risk areas of the company's operations to be covered within the remit of the internal and external audits, with the exclusion of legal risks
- the reliability and accuracy of financial information provided to management and other users of financial statements
- the company's compliance with regulatory requirements with regard to financial matters
- the scope and results of the external audit, its cost-effectiveness, independence and objectivity
- the nature and extent of non-audit services provided by external auditors

External and Internal Auditors attend meetings when required.

### (2) Corporate Governance, Nomination & Remuneration Committee

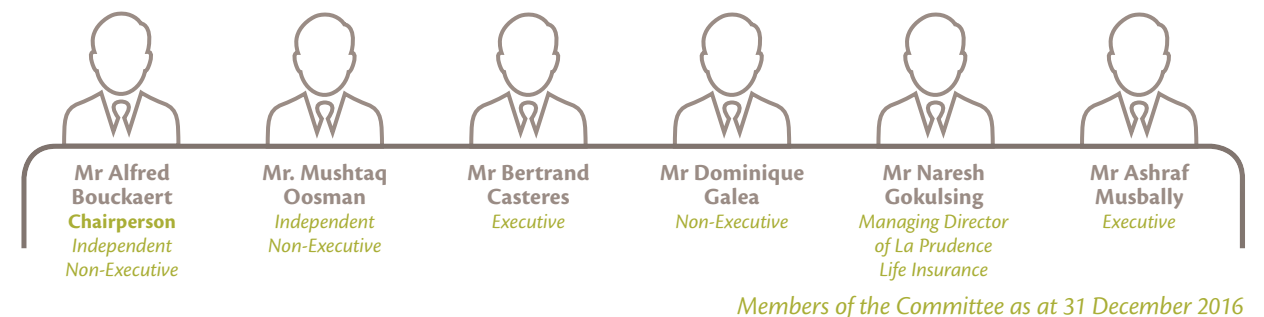


The Corporate Governance, Nomination & Remuneration Committee is appointed by the Board and consists of a Chairman who is an independent non-executive director and four members.

This Committee fulfills three main tasks:

- It is responsible for implementing the Code of Corporate Governance for Mauritius (the Code) throughout the Company and its subsidiaries including La Prudence (Mauricienne) Assurances Ltee and for ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in the Code
- It makes recommendations to the Board on the appointment of new executive, non-executive directors and senior management and advises on the composition of the Board in general and the balance between executive and non-executive directors appointed to the Board, and on succession planning
- The committee makes recommendations regarding the company's general policy pertaining to executive, non-executive, independent non-executive fees and senior management remuneration

### (3) Risk Committee



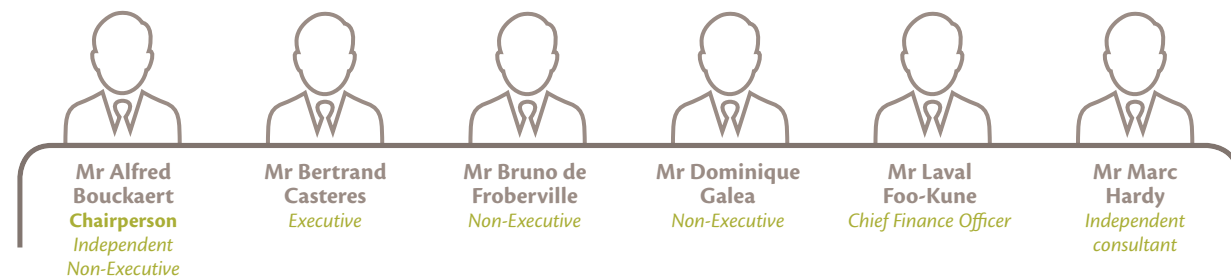
The scope of the Risk Committee is to overview the identification, monitoring and implementation of Risk policies within the parameters of the MUA Group Risk's Management Framework in relation to Insurance risks, Operational risks, Customers, Products and market's risks and Strategic risks of the Company and its subsidiaries.

The terms of reference of this Committee were approved by the Board with the salient areas of focus detailed hereunder.

The Risk Committee focuses on :

- reviewing the Group's risk appetite and future risk strategy for economic capital, liquidity and reputation and also for operational risks
- reviewing the Group's risk profile against risk appetite, effectiveness of risk management framework
- reviewing scenarios and stress tests which the Group uses to assess the adequacy of its economic and regulatory capital and liquidity
- managing MUA risk policies

## (4) Assets and Liabilities Committee (ALCO)



Members of the Committee as at 31 December 2016

The objectives of the Assets and Liabilities Committee (ALCO) are to:

- Devise the Group's investment strategy
- Define the investment philosophy and specific investment objectives of the Group consistent with this strategy
- Define responsibilities with regard to the management of the Group investment portfolio
- Determine appropriate levels of investment risk which the Group is prepared to accept within the broader guidelines set by the Mauritius Union Group Risk Policy and the Board
- Determine capital allocation criteria
- Monitor the Assets and Liabilities management
- Determine appropriate benchmarks for the measurement of investment performance

While the Board is ultimately responsible for ensuring that the appropriate structure and process are in place to effectively manage capital and treasury risk, the ALCO decides on the appropriate asset allocation, on portfolio construction and asset manager selection (where applicable) in order to achieve the goals set out in the investment strategy.

The ALCO, in consultation with the investment advisors, is responsible for the regular review of the overall investment strategy and the submission of appropriate recommendations to the Board for consideration.

## Directors' Attendance at Board Meetings and Committees of the Board

Members of the board and of the committees	Board Meetings	Audit & Risk Committee (up to April 2016)	Audit Committee (As from May 2016)	Risk Committee (As from May 2016)	Corporate Governance Committee	Assets and Liabilities Committee
Mr Vincent Ah Chuen	7 out of 7	-	-	-	3 out of 3	-
Mr Alfred Bouckaert	5 out of 7	-	-	2 out of 2	-	4 out of 4
Mr Bertrand Casteres	7 out of 7	-	-	2 out of 2	3 out of 3	4 out of 4
Mrs Melanie Faugier	6 out of 7	2 out of 2	2 out of 2	-	-	-
Mr Bruno de Froberville	6 out of 7	2 out of 2	2 out of 2	-	-	4 out of 4
Mr Dominique Galea	7 out of 7	-	-	1 out of 1	3 out of 3	4 out of 4
Mr Angelo Letimier	6 out of 7	2 out of 2	2 out of 2	-	-	-
Mr Lakshmana Lutchmenarraido (up to 14 November 2016)	5 out of 6	-	-	-	2 out of 3	4 out of 4
Mr Ashraf Musbally	4 out of 6	-	-	2 out of 2	-	-
Mr Mushtaq Oosman	4 out of 6	1 out of 1	1 out of 2	2 out of 2	-	-
Mr Arjoon Suddhoo	5 out of 7	-	-	-	3 out of 3	-

## Directors' Remuneration whilst in office

DIRECTORS	Remuneration from the Company Rs '000		Remuneration from the Subsidiaries Rs '000	
	2016	2015	2016	2015
Executive Directors	7,279	5,483	22,815	20,544
Non-Executive Directors	4,383	4,208	1,501	1,450
<b>TOTAL</b>	<b>11,662</b>	<b>9,691</b>	<b>24,316</b>	<b>21,994</b>

## Directors' Remuneration Philosophy

The remuneration of Directors and Senior Executives of the Company is subject to an annual review, according to the criteria contained in the terms of reference of the Remuneration Committee.

The remuneration philosophy is based on transparency and merit while performance-based reward is at the heart of organizational culture.

Remuneration of Directors has not been disclosed on an individual basis as the Board considers this sensitive information.

## Company Secretary

The Company Secretary ensures that the Company complies with its constitution and all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board. He provides guidance to the Board as a whole and to directors individually as to how their responsibilities should be discharged in the best interests of the Company. He advises the board on matters of ethics and good governance and is the focal point of contact within the Company for shareholders.



## SENIOR MANAGEMENT

The Executive Committee of the Mauritius Union Group has been constituted to manage business issues, opportunities and threats that have cross-divisional implications or are considered as material and/or sensitive for the Mauritius Union Group. The Committee is the executive decision-making body of the Mauritius Union Group and it acts as the primary forum through which decisions of a transverse nature are taken. To effectively address matters of relevance

to its duties and responsibilities, the Committee has set up appropriate management sub-committees which provide comprehensive evaluation on key issues for members of the Executive Committee to reach informed decisions.

The Executive Committee of the Mauritius Union Group consists of the following senior management team members:



**Delphine Ahnee**

*Head of Group Risk, Legal, Compliance and Customer Care*

Mrs Delphine Ahnee holds a LLB (Hons.) degree from the University of Mauritius where she was 'Major de Promotion' for her master's thesis. She has qualified as Quality Management System Auditor and followed an executive education programme from ESSEC Business School.

Mrs Ahnee joined La Prudence (Mauricienne) Assurances Ltée in 2000 as Claims Manager of the General Business. After the merger of the activities of La Prudence (Mauricienne) Assurances Ltée and The Mauritius Union Assurance Cy Ltd in 2010 she was responsible for the Health and Non-Motor Claims business. In 2011 she was also entrusted the responsibility of the Motor Claims of the General Insurance.

She was promoted to Head of Group Risk, Legal, Compliance and Customer Care in January 2014. She is responsible for the implementation of Process Efficiency Projects across the Group and is the Group Money Laundering Reporting Officer.

She is also a Director of Fondation Mauritius Union Ltd and a member of the Group's Corporate Social Responsibility committee.



**Mehtab Aly**

*Head of Mergers & Acquisitions*

Mrs Aly has a Master in Business Administration from the Université de Bordeaux IV, France. She is a mergers and acquisitions specialist and has more than 10 years' experience in corporate valuation issues, deal structuring, raising finance and corporate restructuring. She is also an expert in stock exchange related matters, from IPOs and takeovers to delistings.

Mrs Aly joined Taylor Nelson Sofres as manager in 2000 where she focussed on market research. She then integrated the Knowledge Management & Business Development department of PricewaterhouseCoopers (PwC) where she contributed to leadership publications. She moved within PwC to the Deals Department in 2006, acting as Senior Manager and advising both private and public sector clients on a wide range of assignments, including several companies in the financial services sector.

Mrs Aly joined Mauritius Union Group in November 2016 as Head of Mergers & Acquisitions.



**Mekraj Baldowa**

*Group Head of Human Resources*

Mr. Baldowa born in 1972, holder of a degree in Business Management, has been in the insurance industry since 1992 when he joined The Mauritius Union Assurance Cy. Ltd and where he held number of positions. He is a Certified Practitioner of Neuro-Linguistic Programming approved by the American Board of NLP, USA.

Mr Baldowa was appointed as the Group Human Resources Manager in May 2013 and he was promoted to the position of Group Head of Human Resources in January 2015.

Significantly involved in our Corporate Social Responsibility (CSR), Mr Baldowa is a director of Fondation Mauritius Union Ltd (FMU). He was, in the past, President of MACOSS, an umbrella organization of NGOs in Mauritius.

As from January 2017, Mr Baldowa is on leave without pay.



**Jean Christophe Cluzeau**

*Head of General Insurance*

Mr Cluzeau, born in 1964, holds a DESS in Information Systems and a Master Management in Insurance. He has over 25 years' experience in the insurance industry, 19 of which were spent with AXA.

Mr Cluzeau held a number of posts within the AXA group, including Head of Individual Clients for AXA France South East, General Secretary of Nationale Suisse Assurance France, Director of Strategy, Steering and Support Services (Health & Prevention). His career has taken him to Algeria and Reunion, before joining Mauritius Union in June 2016 as Head of General Insurance.



**Sin Cham (Laval) Foo-Kune**

*Group Chief Finance Officer*

Mr Foo-Kune, born in 1967, is a Chartered Accountant having graduated with a Bachelor of Commerce and a Bachelor of Accountancy from the University of the Witwatersrand, South Africa. He worked for Levenstein & Partners, a medium-size auditing firm in South Africa, from 1992 to 1995. He left the firm to work for Symo Corporation Ltd, a manufacturing group of companies in Johannesburg, as accountant from 1995 to 1996. In 1996, he joined IBM South Africa as senior financial analyst and was responsible for the financial operations of several business units within the company.

He left IBM in 1998 to join La Prudence (Mauricienne) Assurances Ltée as Financial Manager. In 2010, when the Mauritius Union Assurance Cy. Ltd merged with La Prudence (Mauricienne) Assurances Ltée, he was appointed Senior Manager in charge of the Finance and Accounting department of the Group.

## SENIOR MANAGEMENT



**Naresh Gokulsing**  
Managing Director, La Prudence Life Insurance

Mr Gokulsing, born in 1970, holds a BA in Accounting and Finance from the University of Leeds and an MBA from Warwick Business School. He is also a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He started his career in the audit and advisory services division of PwC in 1993. In 1997, he joined Cim Stockbrokers as Head of Research and was General Manager from 2000 to 2002. Mr Gokulsing served as Director of the Stock Exchange of Mauritius Ltd from 2000 to 2002.

Mr Gokulsing moved within the Cim Group as Head of Finance of Cim Insurance from 2002 to 2007 and as Chief Operations Officer and Executive Director of Cim Insurance and Cim Life from 2009 to 2011. He also spent one year as Managing Director of Cim Property Fund Management in 2008 to launch Ascencia Ltd.

He joined Mauritius Union Group in 2012. He was appointed as Managing Director of La Prudence Life Insurance in January 2015. He is currently a director of the National Mutual Fund Ltd.



**Patrice Houdet**  
Head of Underwriting

Mr Houdet, born in 1955, is a chartered insurer. He has started his career in 1976 in the Marine Underwriting and Claims departments at Albatross Insurance Co. Ltd and has steadily moved up the corporate ladder within the company.

In 2007, he was appointed as the Head of Operations General Insurance, and following the merger of Cim Insurance with Swan in 2012, was the Manager – Integration Support at Swan Insurance.

Mr Houdet joined the Mauritius Union Group as the Senior Manager of the Claims (General Insurance) department in January 2014, and was appointed as Head of Underwriting effective 1 January 2015.



**Jérôme Katz**  
Head of Strategy & Financial Services

Mr Katz, born in 1983, holds a Master in Management and a Diplome de Grande Ecole from ESCP Europe (Ecole Supérieure de Commerce de Paris). He started his career in 2006 with the American bank JPMorgan in Paris as an Analyst in Investment Management for family-owned businesses and high networth individuals.

He joined La Prudence (Mauricienne) Assurances in 2009 as the Manager of Feber Associates, a wholly-owned subsidiary dedicated to corporate pension, investments and actuarial services. While still being the Manager of Feber Associates, Mr Katz has been progressively given increasing responsibilities within the Mauritius Union Group. In 2013, he was appointed as the Manager of the National Mutual Fund, and in 2014, he became in charge of the Strategic Marketing. Beginning 2015, Mr Katz was appointed as the Head of Strategy & Financial Services for the Mauritius Union Group. He is also a Director of Feber Associates Limited, National Mutual Fund Ltd and Fondation Mauritius Union Ltd.



**Clarel Marie**  
General Manager - Operations, La Prudence Life Insurance

Mr Marie, born in 1960, holds an MBA, is a Chartered Insurer and an Associate of the Chartered Insurance Institute, London. He worked for the Anglo-Mauritius Assurance Society Ltd from 1979 to 1993 where he acquired broad experience in the long-term insurance business both in the individual life and the pension business. He joined Albatross Insurance in 1993 to develop the long-term individual assurance products and was appointed technical manager for Life and Pension in 2001.

He joined La Prudence (Mauricienne) Assurances Ltée in August 2006 as technical manager of the Life and Pension department and is currently in charge of the operations side of La Prudence Life Insurance. Mr. Marie is also a director of Fondation Mauritius Union Ltd.



**Rishi Sewnundun**  
Head of Information Systems & Logistics

Mr Sewnundun, born in 1974, graduated in Computer Science and Engineering at the University of Mauritius. He also holds an MBA in marketing from the same university. He joined J. Kalachand & Co. Ltd in 1998 where he worked as Systems Manager and later as Sales Manager.

He was recruited in May 2005 as Head of Information Systems and appointed Senior Manager in January 2008.



**Kenny Wong**  
Head of Reinsurance, Financial & Special Risks

Mr Wong, born in 1982, graduated with First Class Honours from the London School of Economics and Political Science. His fields of study included Risk Theory, Actuarial Mathematics, Applied Statistics and Structured Finance. He is a Fellow and Graduate Statistician of the Royal Statistical Society of London, and a Certified Insurance Professional and Associate of the Australian and New Zealand Institute of Insurance and Finance.

He joined The Mauritius Union Assurance Cy. Ltd in January 2009 as Reinsurance Manager and was appointed Senior Manager – Technical Reinsurance in July 2012.

He served as a Council Member of the Insurance Institute of Mauritius between 2009 and 2010, and was appointed Practice Group Manager of the Globus Trade Credit & Bonds Centre of Excellence in October 2016.

Prior to joining Mauritius Union, Mr Wong held various positions in reinsurance broking, investment banking, and marketing both in Mauritius and London.

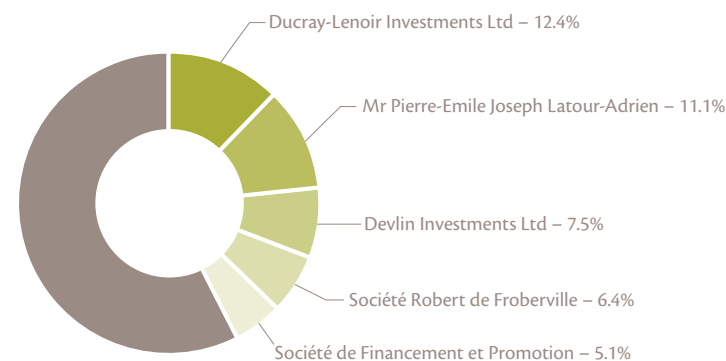
# CORPORATE GOVERNANCE REPORT

## Common Directors and Directors of subsidiaries at 31 December 2016

Director	LEGAL ENTITY													
	Mauritius Union Assurance Cy. Ltd	La Prudence (Mauricienne) Assurances Ltée	Associated Brokers Ltd	Feber Associates Ltd	National Mutual Fund Ltd	Fondation Mauritiuis Union Ltd	Cie du Decadel Ltée	Risk Advisory Services Ltd	Prudence Properties Ltd	Prudence Realty Ltd	Phoenix of East Africa Assurance Co Ltd	Phoenix of Uganda Assurance Co Ltd	Phoenix of Tanzania Assurance Co Ltd	Phoenix of Rwanda Assurance Co Ltd
Mr Vincent Ah Chuen	•	•	•								•	•	•	•
Mr Manickchand Beejan		•		•	•		•	•	•	•				
Mr Alfred Bouckaert	•	•												
Mr Bertrand Casteres	•	•	•	•	•	•	•	•	•					
Mr François Cayeux			•											
Mr Pierre de Chasteigner du Mée			•											
Mrs Melanie Faugier	•													
Mr Bruno de Froberville	•	•		•	•									
Mr Dominique Galea	•	•	•								•	•	•	•
Mr Naresh Gokulsing		•			•									
Mr Jérôme Katz				•	•	•								
Mr Angelo Létimier	•													
Mr Lakshmana Lutchmenarraido											•	•	•	•
Mr Ashraf Musbally	•										•			
Mr Mushtaq Oosman	•	•												
Mr Axel Roussety		•												
Mr Arjoon Suddhoo	•													

## SHAREHOLDING

As at 31 December 2016, the following shareholders owned more than 5% of the issued share capital:



Distribution of Shareholding at 31 December 2016:

No. of Shares	No. of Shareholders	No. of Shares	% of shares issued
1 - 500	450	77,666	0.172
501 - 1,000	169	130,906	0.290
1,001 - 5,000	461	1,126,469	2.498
5,001 - 10,000	157	1,134,802	2.517
10,001 - 50,000	213	4,716,472	10.460
50,001 - 100,000	47	3,315,373	7.353
100,001 - 250,000	48	7,869,279	17.452
250,001 - 500,000	13	4,306,333	9.551
Above 500,000	10	22,412,700	49.707
<b>TOTAL</b>	<b>1,568</b>	<b>45,090,000</b>	<b>100</b>

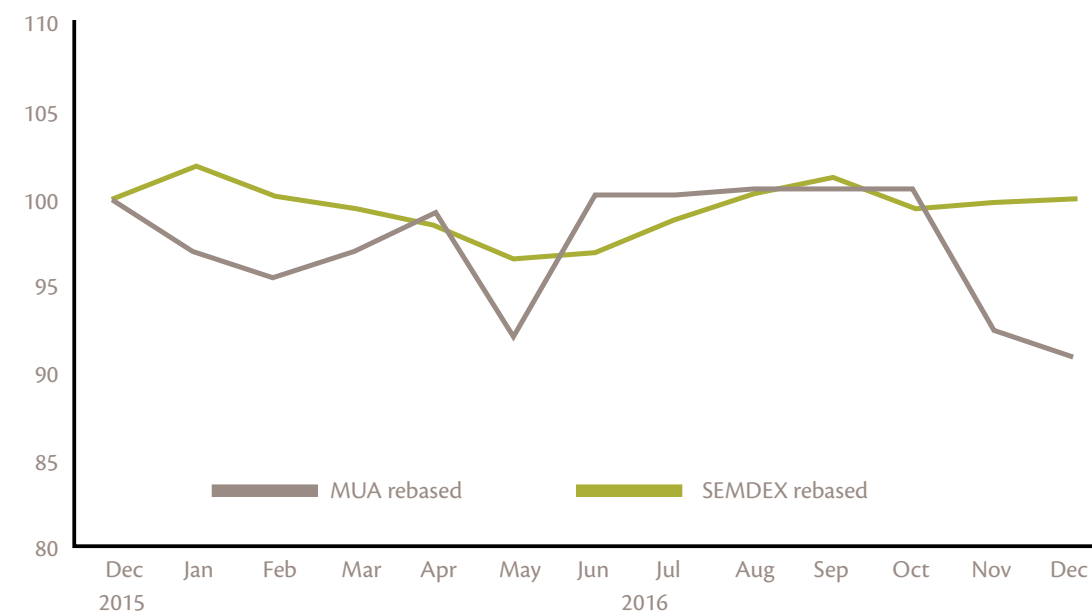
## Constitution

The Constitution of the Company is in conformity with the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius. In accordance with the Constitution of the Company, no shareholder can hold more than 5% of the issued share capital of the Company, without the prior authorisation of the Board of Directors.

## Share Price Information

The chart below shows the evolution of The Mauritius Union Assurance Cy. Ltd share price as compared to the Mauritius Stock exchange Index (Semdex) during the year under review.

MUA share price versus SEMDEX (rebased)\*



\* Values are at end of month

## INTERNAL AUDIT

Group Audit's mission is to provide reliable independent assurance to the Board and the Group Audit Committee on the adequacy and effectiveness of the internal control frameworks which include governance and risk management.

The Mauritius Union Group Audit Methodology sets out the mandatory standards to be followed by all Group Auditors which should allow Group Audit to achieve its mission. The Mauritius Union Group Audit Methodology is fully risk based.

As the third line of defence of the "three lines of defence model", the **Internal Audit provides an independent assurance over the first and second lines of defence**, which are the business operations and risk function respectively. An overview of the company's internal control system is illustrated hereunder:

### Internal Control System



Our in-house internal audit team carries out the internal audit. The scope of their work encompasses:

- Identification of risk areas and the evaluation of the level of risk for each risk area
- Review of internal control processes and recommendations thereon to the Audit & Risk Committee and to the Management
- Monitoring of the implementation of the recommendations and reporting on these to the audit committee.

The team carried out 10 internal audit reviews during 2016.

## Reporting Lines

The internal audit derives its authority from the Board through the Audit Committee. Internal auditors have a direct reporting line to the Audit Committee and maintain an open and constructive communication with the management. They also have direct access to the Chairperson of the Board. This structure allows the Internal Auditors to remain independent.

## Coverage

The Internal Audit plan, which is approved by the Audit Committee, is based on the principles of risk management designed to ensure that their scope of work is congruent with the degree of risk attributable to the area being audited.

## Restrictions

The Internal Auditors have unrestricted access to the Company's records, to management and employees.

## Donations

### Charitable Donations 2016

Charitable donations made by the Company during the year amounted to Rs 1,159,342 - as compared to Rs 994,422 - in 2015. These donations were channelled through the Fondation Mauritius Union Ltd which handles the Group's CSR activities, as detailed in Sustainability Report.

This year's actions focused on the **education, welfare and development of children from vulnerable groups**. We believe that health awareness campaigns and education are key in tackling the causes of poverty and ultimately, providing practical solutions.

Category	Number of Projects	Total Spent (Rs)
Advocacy, awareness and prevention campaigns	3	230,000
Education, welfare and development of vulnerable children	4	663,254
Poverty alleviation, community development and capacity building	2	116,088
Protection, health and social integration of vulnerable groups	3	150,000
<b>GRAND TOTAL</b>	<b>12</b>	<b>1,159,342</b>

The Fondation's actions in 2016 were once again guided by an open-source approach, conducted in a three-phase process: **hear, create and deliver**.

There has been a significant involvement of our employees in community development and community support projects.

It must be noted that following the 2016 Budget, the government proposed a series of changes to the way CSR funds will be disbursed. Please refer to the Sustainability Report for a detailed explanation of these changes and the possible consequences for the Fondation's projects.

## AUDITORS' REMUNERATION

### AUDIT FEES PAID TO :

Ernst & Young

### FEES PAID FOR OTHER SERVICES PROVIDED BY

Ernst & Young

#### Details:

Tax Computation Fees  
Review Of The Annual Statutory Return To The FSC  
Advisory Services

### TOTAL

## Political Donations

In line with the Company's policy, no political donations were made during the year under review.

## Risk Management

Risk management is outlined in the Risk Management Report on page 51.

THE GROUP		THE COMPANY	
2016	2015	2016	2015
Rs'000	Rs'000	Rs'000	Rs'000
7,194	7,058	1,693	1,662
2,261	3,553	435	930
1,238	1,164	86	81
203	201	116	115
820	2,188	233	734
<b>9,455</b>	<b>10,611</b>	<b>2,128</b>	<b>2,592</b>

### SUSTAINABILITY REPORTING & ETHICS

#### Sustainability Reporting

The Company recognises that it operates within a broader social and economic community. Consequently, when it takes decisions and carries out its activities, it is committed to considering not only economic viability but also **environmental consequences and social implications**. The Company recognises its key role regarding job and wealth creation in the Mauritian society. Reporting sustainability is generally recognised as a way for a company to strike the right balance between economic, environmental and social integration, often through commitment and activities that extend beyond mere compliance with legislation.

A detailed Sustainability Report is presented on page 65.

The **Fondation Mauritius Union Limited** was incorporated on 14th October 2010. It received official **Corporate Social Responsibility (CSR) Accreditation** from the National Empowerment Foundation in December 2010. Using the Fondation as a special purpose vehicle, we are now able to execute our CSR projects in a more efficient and structured manner, thereby contributing to the betterment of the community.

#### Ethics

Recognizing that our reputation is priceless, we demonstrated no compassion for any ethical compromise in our operations as well as in service to our customers, communities and stakeholders.

**Our code of ethics defines the standards for every Mauritius Union employee in his or her daily business practices.** Same has been revamped in 2015 to comprise of a gift acceptance policy, thereby creating a pool of gifts received from suppliers and well-wishers for employees to have an equal chance of participating in a draw as lucky winners.

Recent alleged cases of financial scams reported within the financial services sector in Mauritius, make us recognize the importance of being alert and sensitive to situations that may be illegal, unethical, in violation with ethical standards and/ or termed otherwise as improper.

We reinforced our employees' obligation to report any questionable situations or suspicious activity with a spirit of responsible business practices at every level of the Group to ensure compliance and good governance. **A Whistle Blowing Policy was introduced in the Group in 2016.**

#### Environment, Health & Safety

Mauritius Union Group appreciates the value of a positive safety culture. In our quest for excellence, **safety plays a pivotal role in all our activities**. Safety objectives are a mandatory component in the annual business plan, placing legislative requirements as a minimum standard.

The Group has defined a health and safety framework, adopting industry best practices, to effectively control risks and prevent accidents in the work place. The implementation of a management system for health and safety has proved to be an effective tool to organise and focus the Group's efforts towards minimizing work-related hazards and risks.

During 2016 the Group focused on addressing the most important health and safety priorities:

- (a) Implementation of a building safety inspection plan where all safety aspects of the building are systematically checked, on a monthly basis, to ensure that employees have the optimal environment to perform their work efficiently.
- (b) Emergency preparedness to promptly respond to a variety of safety crisis scenarios (e.g fire, accident, major power failure or national catastrophe)
- (c) The wellbeing of our employees is also of great importance. Two outdoor trekking activities have been organised for employees, combining team building, fun and physical activity. Moreover, the MUA sponsored the Ferney Trail in 2016, with over 40 employees participating.

**Health and safety is a way of working, a way of doing business.** It's not the responsibility of a single person or department but a collective effort where every employee is responsible for playing their part. The Executive Committee continues to take a sensible and proportionate approach to health and safety management, providing visible leadership to achieve the Group's goals.

#### Corporate Social Responsibility

CSR activities conducted were in line with the Company's three year strategic plan, that of **community partnership**.

Initiatives in that context were geared towards environment, education, and poverty alleviation in specific parts of the island.

CSR activities for the year 2016 included the following:

- **Education and poverty alleviation**
- **Health & Wellness**
- **Training and empowerment/Development**
- **Assisting NGOs with the write-up of their projects**
- **Employee Involvement**

The successful implementation of our CSR strategy for the year 2016 with the engagement of our employees, focused on employee engagement and building community partnerships.

We continued to build on the support we give communities, which is aimed at having a **positive impact on the daily lives** of the less privileged, through small but meaningful actions that make a real difference.



## Timetable of important upcoming events



Financial year end (31<sup>st</sup> December 2016)



Publication of yearly group abridged financial statements (End of March)



Publication of unaudited accounts first quarter to 31 March (Mid-May)  
Declaration of interim dividend (Mid-May)



Payment of interim dividend (Mid-June)  
Annual Meeting of Shareholders (End of June)



Publication of unaudited accounts second quarter to 30 June (Mid-August)



Publication of unaudited accounts third quarter to 30 September (Mid-November)  
Declaration of final dividend (Mid-November)



Payment of final dividend (Mid-December)

## DIRECTORS' STATEMENT OF RESPONSIBILITIES

### Financial Statements

The Directors of The Mauritius Union Assurance Cy. Ltd are required by the Companies Act 2001 to prepare, for every financial year, financial statements which present a true and fair view of the financial position of the Company and the Group at the end of the financial year as well as the results of their operations for the year then ended. They are responsible for the adequacy and accuracy of these financial statements and for the objectivity of any other information presented therein.

The Directors confirm that in preparing these financial statements they have:

1. Selected suitable accounting policies that are compliant with International Financial Reporting Standards and applied them consistently
2. Made judgments and estimates that are reasonable and prudent
3. Prepared the financial statements on a going-concern basis
4. Kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company

5. Taken appropriate measures to safeguard the assets of the Company through the application of appropriate internal control, risk management systems and procedures
6. Taken reasonable steps for the prevention and detection of fraud and other irregularities.
7. Adhered to the Code of Corporate Governance and provided reasons for any area of non-compliance.

### Internal Control

The Directors are responsible for the Company's systems of internal control. The systems have been designed to provide the Directors with reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or detected within a reasonable time. An internal audit and a risk and compliance function have been established to assist management in the effective discharge of its responsibilities. Internal audit review business controls on an ongoing basis are carried out independently of management. Reports are presented directly to the Audit Committee.

### Risk Management

Through the Risk Committee, Directors are made aware of the risk areas that affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.

The Board ensures that the principles of good governance are also applied in the Company's subsidiaries.

Approved by the Board of Directors on 31 March 2017 and signed on its behalf by:

**DOMINIQUE GALEA**  
Chairman

**BERTRAND CASTERES**  
Chief Executive Officer

### STATEMENT OF COMPLIANCE

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

**Name of Public Interest Entity :** The Mauritius Union Assurance Cy. Ltd  
**Reporting Period :** Year ended 31 December 2016

We, the Directors of The Mauritius Union Assurance Cy. Ltd, confirm that, to the best of our knowledge, the Company has endeavoured to comply with the obligations and requirements under the Code of Corporate Governance in all material aspects, except for Section 2.8.2 of the Code for which the necessary explanations have been provided in the Corporate Governance Report.



**DOMINIQUE GALEA**  
Chairman



**BERTRAND CASTERES**  
Chief Executive Officer

31 March 2017





4, Léoville L'Homme Street,  
Port Louis, Mauritius



+230 207 5500



[mauritiunion.com](http://mauritiunion.com)



[info@mauritiunion.com](mailto:info@mauritiunion.com)



BRN: C07000714