



MAURITIUS UNION
GROUP





CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

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 complied, in all material respects, with the principles of the Code and has provided the necessary explanations where appropriate.

The new National Code of Corporate Governance for Mauritius (2016) is in the process of being implemented across the Group during the financial year ending 31 December 2018. Reporting will be done in accordance with this new code in the 2018 Annual Report.

BOARD OF DIRECTORS

The Board consists of ten directors, four of whom are independent non-executives, four non-executives and two executives, as at 31 December 2017.

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 Board is ultimately responsible for leading and controlling the Company and for the Company's sustainability, strategy, reputation and governance. The Board 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, endeavours 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 ultimately in charge of operations and 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 program to develop a good understanding of the Company and the Group. The induction program consists of briefings with the Chairman and Group CEO, and they receive a pack of materials containing information on the Company such as the Company's constitution, Board Charter and its code of good conduct. Moreover newly appointed directors 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 of its Committees was performed in November 2017 by way of a questionnaire. The outcome was positive overall, and the gaps identified will be addressed promptly. 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.

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DIRECTOR'S PROFILES



Mr Dominique Galea **Chairman**

Non-Executive Director – appointed in 2010

Mr Dominique Galea, born in 1952, holds a degree from HEC (Paris) H77. 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, Phoenix Transafrica Holdings Ltd, United Docks Ltd, Rey & Lenferna Ltd and Forges Tardieu 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 in 2015. He is the Chairman of Phoenix of East Africa Assurance Co. Ltd and its subsidiaries in Tanzania and Uganda.



Mr Vincent Ah Chuen

Non-Executive 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

Independent Non-Executive 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

Non-Executive 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.

CORPORATE GOVERNANCE

DIRECTORS' PROFILES



Mrs Mélanie Faugier

Non-Executive Director – appointed in 2010

Mrs Mélanie Faugier, born in 1980, is the owner and managing director of Cottons Trading Ltd. In 2012, she co-founded Senior Homes Ltd, the leading company in Assisted living in Mauritius.

Mrs Faugier started her career as the trading manager of Thon des Mascareignes Ltée (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 Ltd.

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.

Mr Angelo Letimier

Independent Non-Executive 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).



Mrs Catherine McIlraith

Independent Non-Executive Director – appointed in 2017

Mrs Catherine McIlraith, a Mauritian citizen, holds a Bachelor of Accountancy degree from the University of the Witwatersrand, Johannesburg, South Africa and has been a member of the South African Institute of Chartered Accountants since 1992. After serving her Articles at Ernst & Young in Johannesburg, Catherine then joined the Investment Banking industry and held senior positions in corporate and specialized finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg. She returned to Mauritius in 2004 to join Investec Bank where she was Head of Banking until 2010.

Mrs McIlraith is a Fellow Member of the Mauritius Institute of Directors (“MIoD”). She has served as an Independent Non-Executive Director and as a member of various committees of a number of public and private companies in Mauritius including AfrAsia Bank Limited from 2011 to 2017. She also served as a Director of MIoD for 5 years and as its Chairperson for 2 years from 2014 to 2016.

Directorships of listed companies in Mauritius and South Africa: Astoria Limited, CIEL Limited, Grit Real Estate Income Group Limited and Les Gaz Industriels 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.

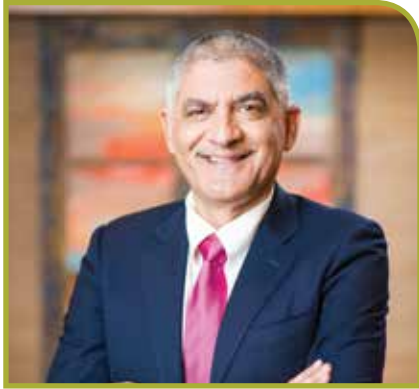
Mr Musbally kept the same position after the merger of the activities of The Mauritius Union Assurance Cy. Ltd with La Prudence (Mauricienne) Assurances Ltée in 2010, and in January 2012 he took the responsibility of the Underwriting Department of the General Insurance. He was promoted to Head of the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



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DIRECTORS' PROFILES



Mr Mushtaq Oosman

Independent Non-Executive 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, United Docks Ltd.

Mr Arjoon Suddhoo

Independent Non-Executive Director – appointed in 2010 and resigned in September 2017

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.



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



Mr Brian Ah-Chuen

Alternate Director of Mr Vincent Ah Chuen since 2016

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 Antoine Galea

Alternate Director of Mr Dominique Galea since 2016

Mr Antoine Galea, born in 1986, has been appointed Managing Director of Watertech Ltd in January 2018. Before joining Watertech, Mr Galea was Customer Experience Manager at Rey & Lenferna Ltd. From 2012 to 2016, he occupied various positions at Labelling Industries Ltd, Berque Ltée 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.



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Executive Director's Service Contract

Mr Bertrand Casteres, Group Chief Executive Officer, has no fixed term contract. Mr Ashraf Musbally, Group Managing Director of Phoenix of East Africa Assurance Company Limited (PEAL), 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

Mrs Catherine McIlraith was appointed as independent non-executive director by the Board of Directors in October 2017 up to the 2018 annual meeting, where the shareholders will be invited to re-conduct her appointment.

Mr Arjoon Suddhoo submitted his resignation from the Board and its Committee on 22 September 2017.

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 2017, together with the category they fall in, are set out in the table below:

DIRECTORS	DESIGNATION	Direct Interest		Indirect Interest
		Number of shares	Percentage	Percentage
Mr Vincent Ah-Chuen	Non-Executive Director	356,370	0.79	0.57
Mr Alfred Bouckaert	Independent Non-Executive Director	1,125	<0.01	-
Mr Bertrand Casteres	Executive Director	1,325	<0.01	-
Mr Bruno de Froberville	Non-Executive Director	52,999	0.12	1.59
Mr Dominique Galea	Non-Executive Director	283,137	0.63	14.01
Mrs Mélanie Faugier	Non-Executive Director	1,310	<0.01	5.33
Mr Angelo Letimier	Independent Non-Executive Director	2,125	<0.01	-
Mrs Catherine McIlraith	Independent Non-Executive Director	-	-	-
Mr Ashraf Musbally	Executive Director	1,400	<0.01	-
Mr Mushtaq Oosman	Independent Non-Executive Director	8,437	0.02	<0.01
Mr Brian Ah-Chuen	Alternate Director	2,250	<0.01	-
Mr Antoine Galea	Alternate Director	-	<0.01	-

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 by Associates	Disposed by Associates
Mr Vincent Ah Chuen	-	29,100
Mr Dominique Galea	474,500	-

COMMITTEES OF THE BOARD

The four Board Committees, namely the Audit Committee, Risk Committee, Assets and Liabilities Committee and Corporate Governance, Nomination and Remuneration Committee, assist the directors in the discharge of their duties through a comprehensive evaluation of specific issues.

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

				
Mr Mushtaq Oosman Chairperson Independent Non-Executive	Mrs Mélanie Faugier Non-Executive	Mr Bruno de Froberville Non-Executive	Mrs Catherine McIlrath Independent Non-Executive (as from November 2017)	Mr Angelo Letimier Independent Non-Executive

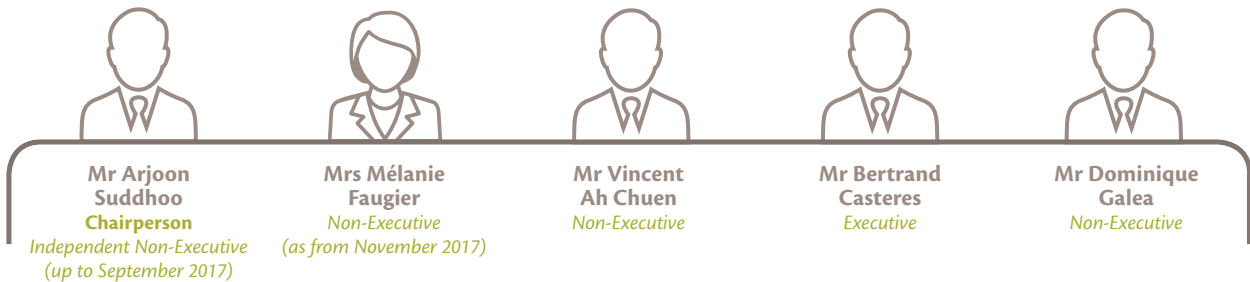
Members of the Committee during 2017

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.

CORPORATE GOVERNANCE

(2) Corporate Governance, Nomination & Remuneration Committee



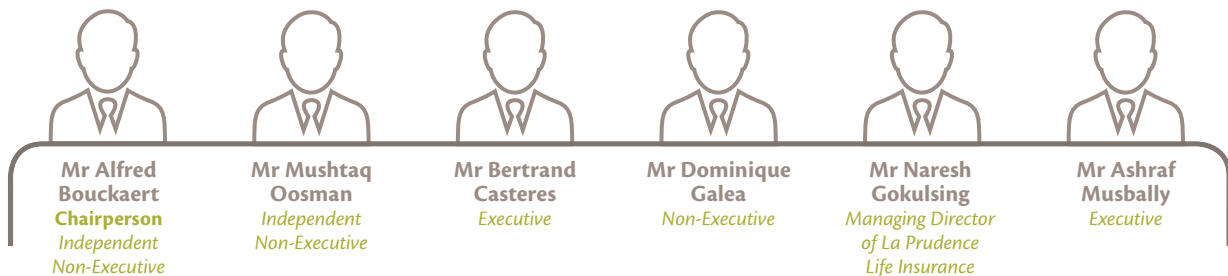
Members of the Committee during 2017

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 fulfils 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 Ltée 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 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



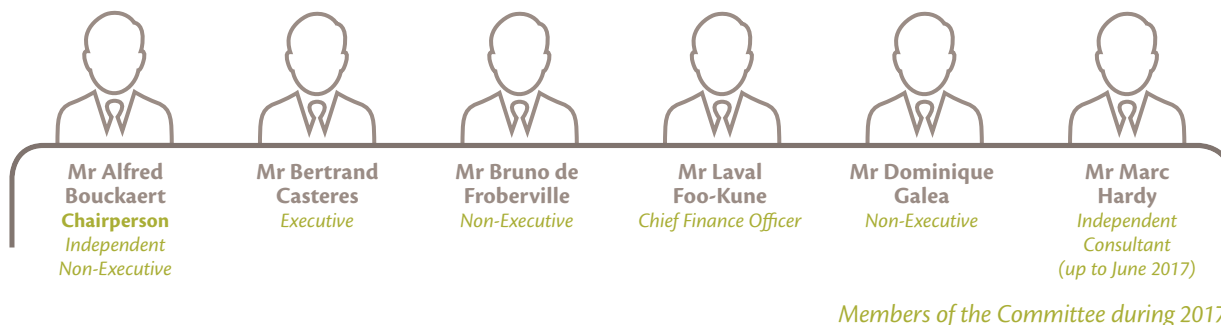
Members of the Committee during 2017

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, including La Prudence (Mauricienne) Assurances Ltée.

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)



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

- Devise the Group's investment strategy, including that of La Prudence (Mauricienne) Assurances Ltée
- 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.

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Directors' Attendance at Board Meetings and Committees of the Board

Members of the board and of the committees	Board Meetings	Audit Committee	Risk Committee	Corporate Governance Committee	Assets and Liabilities Committee
Mr Vincent Ah Chuen	6 out of 6	-	-	2 out of 2	-
Mr Alfred Bouckaert	5 out of 6	-	4 out of 4	-	3 out of 3
Mr Bertrand Casteres	6 out of 6	-	4 out of 4	2 out of 2	3 out of 3
Mrs Mélanie Faugier	4 out of 6	5 out of 5	-	-	-
Mr Bruno de Froberville	5 out of 6	3 out of 5	-	-	3 out of 3
Mr Dominique Galea	5 out of 6	-	3 out of 4	2 out of 2	2 out of 3
Mr Angelo Letimier	5 out of 6	1 out of 5	-	-	-
Mrs Catherine McIlrath (From October 2017)	1 out of 1	-	-	-	-
Mr Ashraf Musbally	3 out of 6	-	4 out of 4	-	-
Mr Mushtaq Oosman	4 out of 6	5 out of 5	4 out of 4	-	-
Mr Arjoon Suddhoo (Up to September 2017)	4 out of 5	-	-	2 out of 2	-

Directors' Service Contracts

None of the directors proposed for re-election at the forthcoming annual meeting have unexpired service contracts.

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.

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

Directors' Remuneration whilst in office

Remuneration of Executive and Non-Executive Directors from the Company and from its subsidiaries are detailed in the table below. The directors benefit from an indemnity insurance to cover liabilities while performing their duties to the extent permitted by law.

DIRECTORS	Remuneration from the Company		Remuneration from the Subsidiaries	
	Rs '000		Rs '000	
	2017	2016	2017	2016
Executive Directors	8,524	7,279	18,629	22,815
Non-Executive Directors	4,523	4,383	962	1,501
TOTAL	13,047	11,662	19,591	24,316

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, present as at 31 December 2017:



Delphine Ahnee

Head of Group Risk, Legal, Compliance and Customer Care

Mrs Delphine Ahnee holds a LLB (Hons.) degree, is a qualified Quality Management System Auditor and has followed an executive education programme from ESSEC Business School.

After more than ten years in the Claims Management and litigation monitoring on the General Insurance side, she was promoted to the position of Head of Group Risk, Legal, Compliance and Customer Care in January 2014. She is also responsible for the implementation of Process Efficiency Projects across the Group. Delphine is the Group Risk Officer and Money Laundering Reporting Officer.

She sits on the Board of Directors of 'Fondation Mauritius Union' and is an active member of our Group's Corporate Social Responsibility committee since 2011.

Mehtab Aly

Head of Mergers, Acquisitions & Capital Management

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. She is currently a director of Phoenix of East Africa Assurance Co. Ltd and its subsidiary companies.



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SENIOR MANAGEMENT



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.

He is currently a director of The National Mutual Fund Ltd and MUA Insurance Management Ltd.



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 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 moved within the Cim Group as Head of Finance of Cim Insurance from 2002 to 2007 and as Chief Operating Officer and Executive Director of Cim Insurance and Cim Life from 2009 to 2011. As Managing Director of Cim Property Fund Management in 2008, he launched Ascencia Ltd.

He joined Mauritius Union Group in 2012 and was appointed Managing Director of La Prudence Life Insurance in 2015. He is currently a director of the National Mutual Fund Ltd and Feber Associates 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. He will be retiring on 31 March 2018.

Jérôme Katz
Head of Strategy & Financial Services

Mr Katz, born in 1983, holds a Master in Management / Diplome de Grande Ecole from ESCP Europe.

He started his career in 2006 with the American bank JPMorgan in Paris and 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. Since 2013, Mr Katz has been given increasing responsibilities within the Mauritius Union Group and now oversees the group strategy with extensive involvement in the African subsidiaries, strategic marketing and digitalisation. He also supervises all the investment and asset management activities.



Mr Katz also serves as a director of Feber Associates Ltd, the 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.

CORPORATE GOVERNANCE

SENIOR MANAGEMENT



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 with specialization 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 joined Mauritius Union in May 2005 as Head of Information Systems and appointed Senior Manager in January 2008.

Mr Sewnundun has pioneered several key strategic IT projects at Mauritius Union including two mergers; in Mauritius and East Africa. He has led the implementation of a number of innovative technologies and has been actively involved in digital transformation initiatives to streamline operations, increase organizational effectiveness and enhance customer experience. Mr Sewnundun is also responsible for the IT operations of the group's East African subsidiaries.

Kenny Wong

Head of Reinsurance, Financial & Special Risks

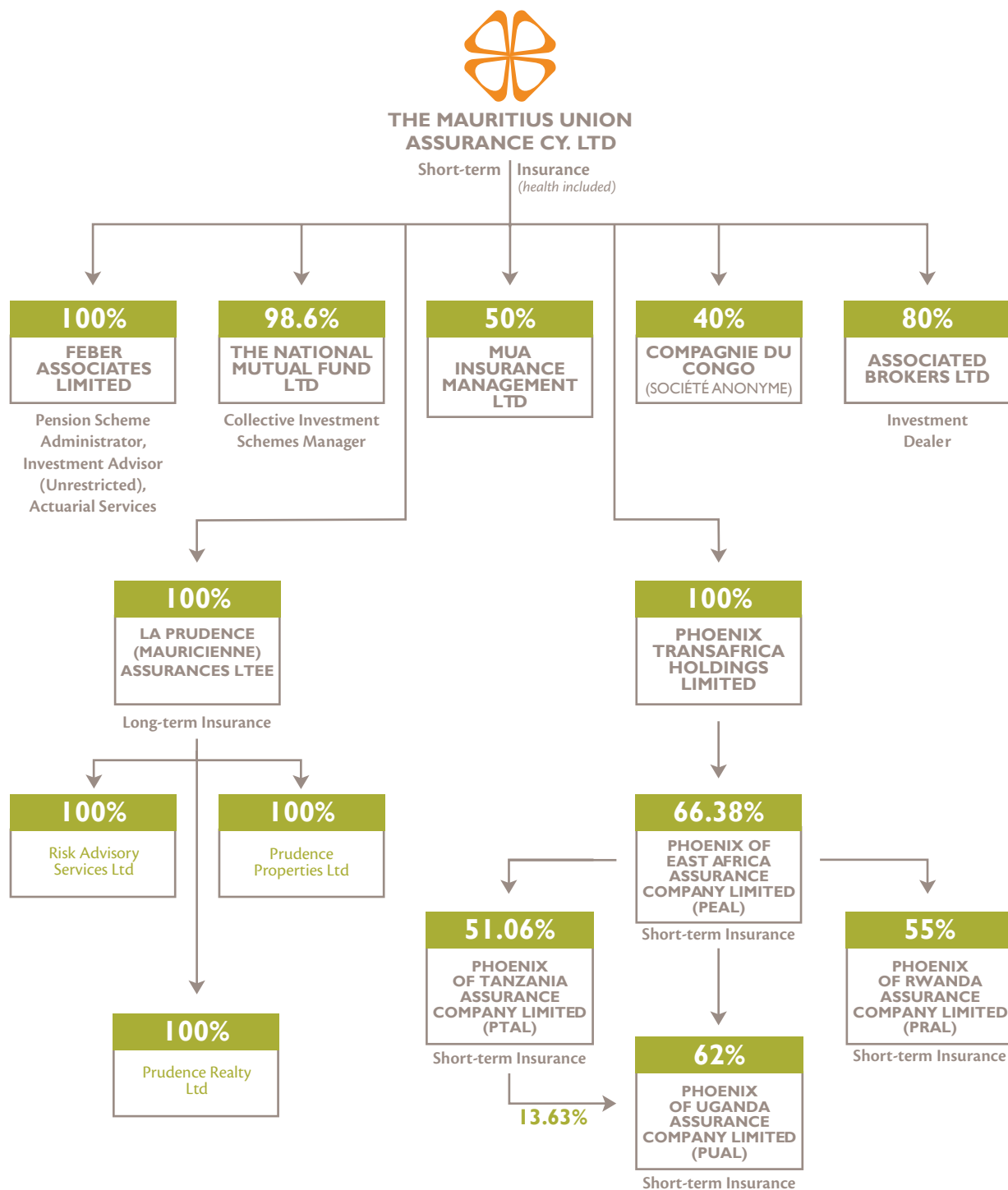
Mr Wong, born in 1982, is a graduate of the London School of Economics and Political Science. He is a Fellow and Graduate Statistician of the Royal Statistical Society of London, and a Certified Insurance Professional and Associate of the Australian and New Zealand Institute of Insurance and Finance.

He joined the Mauritius Union Assurance Cy. Ltd in January 2009 as Reinsurance Manager and was promoted Senior Manager in July 2012. Mr Wong was appointed as one of the two Executive Directors of MUA Insurance Management Limited, the captive management arm of Mauritius Union Group, and was appointed Practice Group Manager of the Globus Financial Lines Centre of Excellence in October 2016.

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



GROUP STRUCTURE



Principal Activities

The principal activity of the Company during the year comprised the transacting of all classes of insurance business, principally protecting assets – motor and non-motor – and medical insurance. The Company also granted secured loans and invested in shares. There has been no change in the nature of its business.

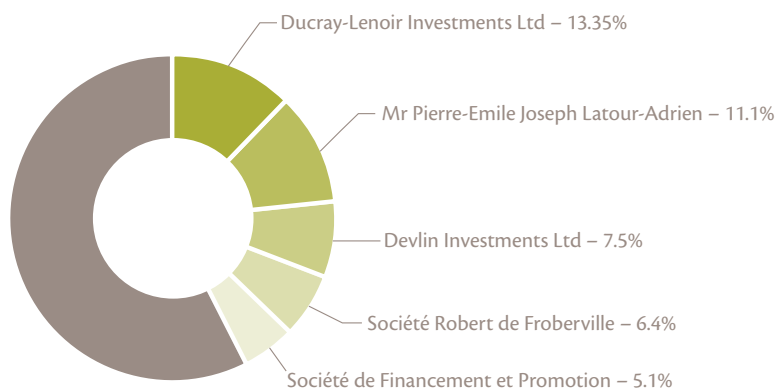
CORPORATE GOVERNANCE

Common Directors and Directors of subsidiaries at 31 December 2017

Director	LEGAL ENTITY														
	Mauritius Union Assurance Cy. Ltd	La Prudence (Mauricienne) Assurances Ltée	Associated Brokers Ltd	Feber Associates Ltd	National Mutual Fund Ltd	Fondation Mauritius Union Ltd	Cie du Decadel Ltée	Risk Advisory Services Ltd	Prudence Properties Ltd	Prudence Realty Ltd	Phoenix Transafrica Holdings 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 Alfred Bouckaert	•	•													
Mr Bertrand Casteres	•	•	•	•	•	•	•	•	•	•		•	•	•	•
Mr François Cayeux			•												
Mr Pierre de Chasteigner du Mée			•												
Mrs Mélanie Faugier	•										•				
Mr Sin Cham (Laval) Foo-Kune					•										
Mr Bruno de Froberville	•	•		•	•										
Mr Dominique Galea	•	•	•	•							•				
Mr Naresh Gokulsing		•		•	•										
Mr Jérôme Katz				•	•	•									
Mr Angelo Létimier	•														
Mrs Catherine McIlrath	•	•													
Mr Ashraf Musbally	•											•			
Mr Mushtaq Oosman	•	•													
Mr Axel Roussety		•													

SHAREHOLDING

As at 31 December 2017, the following shareholders owned more than 5% of the issued share capital:



Distribution of Shareholding at 31 December 2017:

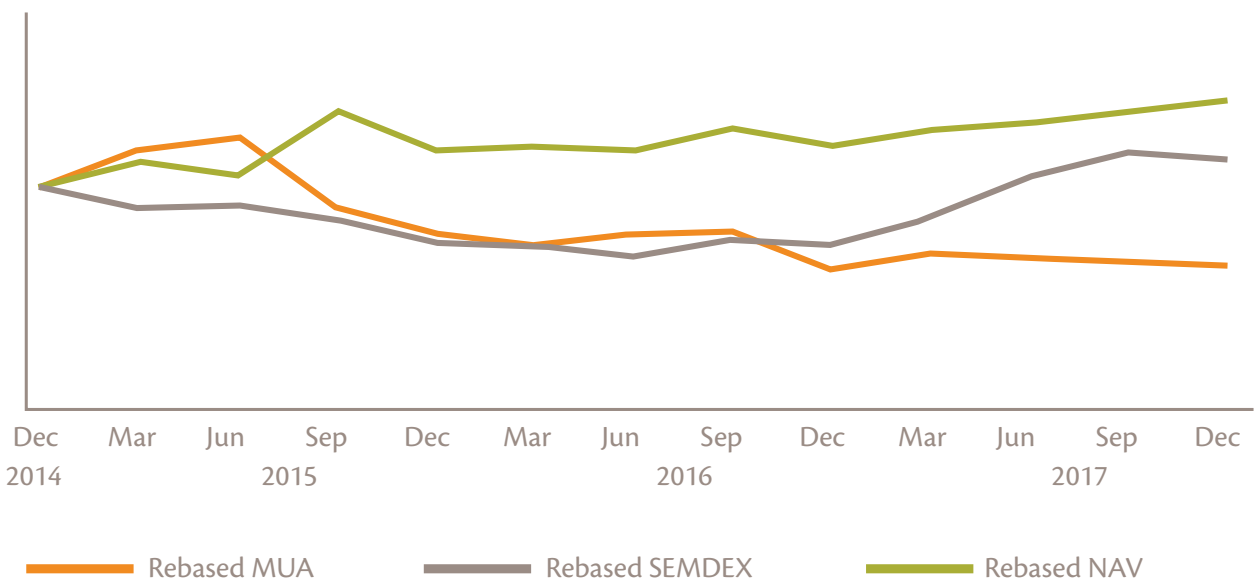
No. of Shares	No. of Shareholders	No. of Shares	% of shares issued
1 - 500	465	81,902	0.1816
501 - 1,000	171	133,166	0.2953
1,001 - 5,000	490	1,215,910	2.6966
5,001 - 10,000	156	1,133,006	2.5128
10,001 - 50,000	214	4,635,204	10.2799
50,001 - 100,000	50	3,652,164	8.0997
100,001 - 250,000	43	6,947,805	15.4087
250,001 - 500,000	13	4,364,353	9.6792
Above 500,000	10	22,926,490	50.8461
TOTAL	1,612	45,090,000	100

Constitution

The Constitution of the Company is in conformity with the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius Ltd. 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) and the company's Net Asset Value (NAV) per share over a three year period.



Shareholders' Agreement

There is no shareholders' agreement.

Management Agreement

The Group has not entered into any management agreement with third parties.

Dividend Policy

The payment of dividends is subject to the profitability of the Company, to its cash flow and to its capital expenditure requirements.

Share Option

The Company has no share option plan.

CORPORATE GOVERNANCE

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 5 internal audit reviews during 2017.

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 2017

Charitable donations made by the Company during the year amounted to Rs 1,443,779 - as compared to Rs 1,159,342 in 2016. These donations were channelled through the Fondation Mauritius Union Ltd which handles the Group's CSR activities. The projects supported in 2017 are detailed in the Sustainability Report.

This year's actions focused primarily on the education, welfare and development of children from vulnerable groups. Health awareness campaigns and education initiatives for the most vulnerable are vital if we are to tackle the causes of poverty and provide sustainable opportunities in our communities.

Category	Number of projects 2017	Total Spend 2017	Number of projects 2016	Total Spend 2016
Advocacy, awareness and prevention campaigns	1	50,000	3	230,000
Education, welfare and development of vulnerable children	8	1,068,779	4	663,254
Poverty alleviation, community development and capacity building	3	210,000	2	116,088
Protection, health and social integration of vulnerable groups	4	65,000	3	150,000
Sustainable development & environment	1	50,000	-	-
GRAND TOTAL	17	1,443,779	12	1,159,342

The Fondation's actions in 2017 continued to be guided by an open-source approach, conducted in a three-phase process: hear, create and deliver.

Once again we have seen a significant involvement of our employees in community development and community support projects throughout the year.

Following a period of uncertainty in the distribution of CSR funding, the National CSR Foundation has taken up its activities. We are hopeful that the NGOs will be duly supported in their important work. Our Fondation continues to support the work of the NCSRF and contribute to the debate to improve the process of CSR disbursement and the upliftment of communities across the country.

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 55.

AUDITORS' REMUNERATION

AUDIT FEES PAID TO:

Ernst & Young
Deloitte

FEES PAID FOR OTHER SERVICES PROVIDED BY

Ernst & Young

Details:

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

Deloitte

Tax Computation Fees

TOTAL

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs'000	Rs'000	Rs'000	Rs'000
6,471	7,194	1,727	1,693
535	-	-	-
2,048	2,261	640	435
1,024	1,238	88	86
556	203	293	116
468	820	259	233
40	-	-	-
9,094	9,455	2,367	2,128

Fees paid for audit and non-audit services for the Group and the Company are detailed in the table above. The external auditors, Ernst & Young, also provided the following additional services: tax computation services, review of the annual statutory return to the Financial Services Commission and advisory services. Deloitte provided audit services and tax computation services.

CORPORATE GOVERNANCE

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 69.

The Fondation Mauritius Union Limited was incorporated on 14 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. Our code was revamped in 2015 to comprise of a gift acceptance policy. All gifts received from suppliers and well-wishers are pooled into a lucky draw, giving employees an equal chance of receiving one of the items.

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. Transparency Mauritius conducted a series of workshops with most of the staff.

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 2017 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. We organised a company-wide team-building event in July, and weekly football matches for a group of employees. The Group also sponsored the Ferney Trail for the second time in 2017. Over 40 employees participated in the race, and another 30 volunteers assisted with logistical aspects of the race.

Health and safety is a way of working, a way of doing business. It is 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 2017 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 in 2017 was mainly due to the engagement of our employees and building sustainable partnerships with NGOs and the communities they support.

We have committed ourselves to build on the support we have given to communities over the years. Our primary aim is to have a positive impact on the daily lives of the less privileged, through small but meaningful actions that make a real difference.

CORPORATE GOVERNANCE

Timetable of important upcoming events

DEC Financial year end (*31 December 2017*)

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

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

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

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

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

DEC 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 on-going 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 30 March 2018 and signed on its behalf by:



Dominique GALEA
Chairman



Bertrand CASTERES
Chief Executive Officer

CORPORATE GOVERNANCE

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 2017

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 (with respect to the disclosure of directors' individual remuneration) for which the necessary explanations have been provided in the Corporate Governance Report.



Dominique GALEA
Chairman



Bertrand CASTERES
Chief Executive Officer

30 March 2018

