

Principle 2: Structure Of Board And Committees

Board size and structure

The Company's constitution states that the Board shall consist of a minimum of seven and a maximum of twelve Directors. As at 31 December 2020, the Company was headed by a unitary Board consisting of ten Directors, three of whom are Independent Non-Executives, five Non-Executives and two Executives.

The Directors come from different professional backgrounds with varied skills, expertise and strong business experience. Taking into account the sophistication of the Group's operations, the Board is satisfied that its actual size and composition is well balanced for it to assume fully its responsibilities while discharging its duties effectively. The Board Charter stipulates that composition of the Board shall include at least two Executive Directors, two Independent Directors and gender balance with at least one female Director.

Directors	Category	Date Appointed	Gender	Country of Residence	Board Attendance
Vincent Ah Chuen *	NED	2019	M	Mauritius	8/8
Alfred Bouckaert	IND	2019	M	Belgium	7/8
Bertrand Casteres – Chief Executive Officer	ED	2018	M	Mauritius	8/8
Melanie Faugier	NED	2019	F	Mauritius	7/8
Bruno de Froberville	NED	2019	M	Mauritius	8/8
Dominique Galea * Chairman	NED	2018	M	Mauritius	8/8
Catherine McIlraith	IND	2019	F	Mauritius	8/8
Ashraf Musbally	ED	2019	M	Kenya	8/8
Mushtaq Oosman	NED	2019	M	Mauritius	8/8
Olivier De Grivel	IND	2019	M	Mauritius	7/8
* Brian Ah-Chuen (Alternate to Mr Vincent Ah-Chuen)		2019	M	Mauritius	N/A
*Celine Gormand (Alternate to Mr Dominique Galea)		2020	F	Mauritius	N/A

Definitions: NED: Non-Executive Director – IND: Independent Non-Executive Director – ED: Executive Director

The profile of the Directors is disclosed on pages 74 to 79 of the Annual Report.

The Board endeavours to ensure that each Director (a) can assess the broad outline of the Group's overall policy, (b) can act critically and independently from one another, and (c) takes part actively in debated issues and expresses his/her viewpoints.

The Board has approved a list of criteria to assess the independence of Directors and has entrusted to the Corporate Governance, Nomination and Remuneration Committee ('CGNRC') the monitoring of such independence on a regular basis. Moreover, upon their appointment, the Independent Directors have signed an undertaking to inform the CGNRC of any matter that arise and may affect their status of Independent Director.

The 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. The Company Secretary 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. The Company Secretary advises the Board on matters of ethics and good governance and is the focal point of contact within the Company for shareholders.

The Company Secretariat function has been entrusted to ECS Secretaries Ltd through a service agreement. This company is an independent provider of company secretarial services since more than two decades, and employs fully qualified secretaries from the Chartered Institute of Chartered Secretaries to fulfil its duties as Company Secretary in accordance with qualifications.

Board and Committees processes

The annual calendar of board, committees and annual shareholders' meetings are set well in advance. According to their respective charters, Board meetings are held at least four times a year and all Board committees meet at least four times a year except for the CGNRC that meets at least twice a year. Additional meetings may be convened to deliberate urgent matters. Certain decisions are taken by way of written resolutions.

The Board will review Board and Committees' charters on an annual basis upon recommendation of the CGNRC.

Board Committees

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 Chairmen of the four committees are invited to report verbally to the directors during board meetings.

Each Committee is governed by a charter as approved by the Board.

1. Audit Committee

Members	Category	Attendance at Committee meetings
Mushtaq Oosman (Chairman)	NED	4/4
Bruno de Froberville	NED	4/4
Catherine McIlraith	IND	4/4

All members of the Audit Committee are financially literate and the Chairman is a Fellow of the Institute of Chartered Accountants, England and Wales.

Further to the amendment to the Companies Act 2001 in 2020, Mr Mushtaq Oosman falls in the category of Non-Independent Non-Executive Director due to cross directorships with the Chairman of the Board. In order to comply with the requirements of the Companies Act 2001, and in line with best practice and the recommendations of the Code of Corporate Governance, the CGNRC and the Board have approved the following changes in 2021:

- To amend the Audit Committee composition with as objective to have a majority of members being independent directors; and
- To retain Mr Mushtaq Oosman as Chairman of the Audit Committee given his independence of mind and judgement as well as his knowledge and industry experience, notwithstanding his non-independence per the definition of the Companies Act 2001.

Main terms of reference:

- 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 those addressed by the Risk Committee;
- 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.

Main areas of focus during the year under review:

- Quarterly unaudited financial statements and audited annual financial statements including management reports from the external auditor;
- Impact of Covid-19 pandemic;
- Recommendation for appointing the new external auditor;
- Monitoring implementation plan of the new accounting standard: IFRS 17 ;
- Internal Audit reports – Company and subsidiaries (including East African subsidiaries);
- Recommendation of rate of dividend to declare.

2. Corporate Governance, Nomination and Remuneration Committee ('CGNRC')

Members	Category	Attendance at Committee meetings
Catherine McIlraith (Chairman)	IND	3/3
Vincent Ah Chuen	NED	3/3
Melanie Faugier	NED	2/3
Dominique Galea	NED	3/3
Mushtaq Oosman (as from March 2020)	NED	2/3

Main terms of reference:

- To keep the Board informed of current best practices in corporate governance for their applicability to the Company;
- To update the Company's corporate governance principles and governance practices;
- To ensure that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the 8 principles of the Code;

- To make 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.

Main areas of focus during the year under review:

- Review of the corporate governance report;
- Board and Committees composition;
- Review Board Charter;
- Updating letters of appointments for Independent Non-Executive and Non-Executive Directors;
- Executives' bonuses;
- Review of Group Executive Structure in East Africa;
- Review of Board Appraisal Exercise outcome and recommending remedial actions;
- Review criteria for Independent Directors;
- Review Succession planning for Directors and members of the Executive Committee.

3. Risk Committee

Members	Category	Attendance at Committee meetings
Alfred Bouckaert (Chairman)	IND	4/4
Olivier De Grivel	IND	4/4
Dominique Galea	NED	4/4
Mushtaq Oosman	NED	4/4

Main Terms of Reference:

- 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 the Group risk policies.

Main areas of focus during the year under review:

- Quarterly Risk reports (including Mauritian and East African subsidiaries);
- Risk Management Framework (RMF) in line with the Insurance Risk Management Rules (2016) Implementation;
- Covid-19 pandemic impact;
- Reinsurance Risk;
- Capital Management;
- Disaster Recovery and Business Continuity Plan in East African subsidiaries;
- Data Protection;
- Cyber security.

4. Assets and Liabilities Committee (ALCO)

Members	Category	Attendance at Committee meetings
Alfred Bouckaert (Chairman)	IND	6/6
Bertrand Casteres	ED	6/6
Olivier de Grivel	IND	6/6
Laval Foo-Kune	Group Chief Finance Officer	6/6
Dominique Galea	NED	6/6
Bruno de Frobergville	NED	5/6
Ahsraf Musbally	ED	5/6

Main Terms of Reference:

- Devise the Group's investment strategy, including that of MUA Life Ltd;
- 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 MUA 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 processes 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.

Main areas of focus during the year under review:

- Consistent monitoring of portfolios in light of the impact of the current pandemic with additional parameters introduced to monitor investment exposure risk;
- De-risking and Optimisation of African portfolios;
- Asset and Liabilities matching of Life insurance portfolio;
- Reduction of concentration of investment in certain local equities and increased diversification;
- Liquidity and capital management.