

**BOARD OF  
STANDARD CHARTERED BANK (MAURITIUS) LIMITED  
(the “Bank”)**

**TERMS OF REFERENCE**

**MEMBERS:** All Directors of the Board.

**QUORUM:** At least 4 Directors, of whom at least 2 must be Non-Executive Directors

**Responsibilities**

The Board of the Bank is responsible for the overall management and affairs of the Bank and is primarily accountable to the shareholders for the proper conduct of the business of the Bank. In particular, the Board has responsibility for the matters set out below:

**Strategy and Management**

1. Provide strategic direction to the Bank.
2. Approve the short term and long term objectives, strategies and business plans of the Bank.
3. Approve the annual operating plan of the Bank and ensure that the operations are conducted prudently and in line with the laws and Board approved policies and that any deviations are reported to the Board
4. Approve capital expenditure budget and any material changes to it.
5. Oversee the management of the business and affairs of the Bank ensuring:
  - competent and prudent management
  - appropriate policies and procedures and adequate systems and sound planning to ensure compliance with statutory and regulatory obligations
  - effectiveness of policies, systems and controls adequate accountancy and other records
  - adequate monitoring and assessment of risks
6. Review the performance of the Bank in the light of its strategy, objectives, plans and budgets and ensure that any necessary corrective action is taken.
7. Approve any extension of the activities of the Bank into new business or geographic areas.

8. Approve any decision to cease to operate all or any material part of the Bank's business.
9. Approval any material communication policy of the Bank.

### **Capital**

10. Keep under review and determine appropriate levels for the capital and liquidity positions of the Bank.
11. Review and approve proposals for the allocation of capital and other resources within the Bank.

### **Financial Reporting**

12. Approve the financial statements, annual report and accounts of the Bank.
13. Approve any significant changes to accounting policies or practices.

### **Internal Control**

14. Maintain a sound system of internal control and risk management including:
  - receiving reports on, and reviewing the effectiveness of the risk and control processes of the Bank to support its strategy and objectives.
  - approving an appropriate statement for inclusion in the annual report.
  - approving any corporate governance reports.

### **Major Contracts and Engagements**

15. Approve material acquisitions and disposals of businesses, assets or shares which are outside the ordinary course of business of the Bank and significant in terms of the business of the Bank.

### **Board Membership and Other Appointments**

16. Review the structure size and composition of the Board and its sub committees from time to time and make any changes deemed necessary.
17. Review the orientation of the Board and evaluate the performance of the Board, including the CEO.
18. Approve the appointment and removal of designated senior officers of the Bank, including the Chief Executive Officer.

### **Delegation of Authority**

19. Approve delegated authorities for expenditure, and day to day operations, and for lending and for other risk exposures.

**Other**

20. Establish specialised Board Sub-Committees as appropriate.
21. Establish review and agree changes as appropriate to the membership and terms of reference of the Committees of the Board.
22. Receive the minutes of and/or reports from the Committees of the Board.
23. Review these terms of reference from time to time, at least once every two years.
24. Ensure that the members of the Board are provided ongoing training on relevant issues.

**MEETINGS:** At least once each quarter and the interval between two meetings should not be more than 110 days. The Chairperson shall call an ad hoc meeting if so requested by any Board Member.

**CHAIRMAN:** The Chairman elected by the Board or, in his/her absence, any Non Executive Director appointed by the quorum present.

**SECRETARY:** The Company Secretary of the Bank or, in her/his absence, a Secretary nominated by the Company Secretary and approved by the Board.

**AGENDA:** To be communicated at a reasonable time prior to the meeting.

**MINUTES:** To be circulated prior to the Board meeting.

**APPROVED BY THE BOARD OF THE BANK ON 05 DECEMBER 2016**

**STANDARD CHARTERED BANK (MAURITIUS) LIMITED**  
**(the “Bank”)**

**AUDIT COMMITTEE**

**TERMS OF REFERENCE**

- APPOINTED BY:** The Board of Standard Chartered Bank (Mauritius) Limited (the “Board”).
- AUTHORITY:** The Committee is authorised by the Board to seek any information that it requires in connection with its purpose and responsibilities from any employee of the Bank and all employees are directed to co-operate with any request made by the Committee.
- PURPOSE:** The Committee shall review, on behalf of the Board, the internal financial controls of the Bank to identify, assess, manage and monitor financial risks and to review the internal control systems of the Bank and act as the Audit Committee of the Bank.

**RESPONSIBILITIES**

The responsibilities of the Committee are:

1. to review and monitor the appropriateness and completeness of statutory accounts and published financial statements of the Bank and any formal announcements relating to the financial performance of the Bank, including significant financial reporting judgements contained in them. In particular:
  - (a) to consider the quality, application and acceptability of the accounting policies and practices, the adequacy of accounting records and financial and governance reporting disclosures and changes thereto;
  - (b) to review any transactions brought to the attention of the of Committee by the auditors or any officers of the Bank or that may otherwise come its attention, which may adversely affect the financial condition of the Bank;
  - (c) to consider recommendations of management in respect of provisions for bad and doubtful debts and for any other provisions for losses and charges; and
  - (d) to advise the Board whether such information presents a fair, balanced and understandable assessment of the position and prospects of the Bank.
2. to keep under review the appropriateness of the accounting policies of the Bank and to consider changes to these;

3. to review the internal financial controls and internal control systems of the Bank and report to the Board;
4. to ensure that the accounting and financial reporting function is adequately resourced;
5. in relation to the Internal Audit function:
  - (a) to approve the annual internal audit plan of the Bank and ensure that such audit plans are risk-based and address all activities over a measurable cycle;
  - (b) to review and monitor responsiveness of Management to the findings and recommendations of the internal auditors;
  - (c) to monitor and assess the role and effectiveness of the internal audit function of the Bank and to receive reports from the Head of Audit on these matters; and
  - (d) to consider the appointment, resignation or removal of the Head of Internal Audit and ensure that the audit function is adequately resourced;
6. in relation to the external auditors:
  - (a) to consider the appointment, re-appointment, dismissal or resignation of the auditor and to make appropriate recommendations, through the board, to shareholders to consider at the annual general meeting concerning the re-appointment of the auditor;
  - (b) to approve the terms of engagement, nature and scope of their audit and the effectiveness of the audit process and ensure that the audit plans are risk-based and address all activities over a measurable cycle;
  - (c) to review any representation letter(s) requested by the external auditor before they are signed by management;
  - (d) to review the management letter and management's response to the auditor's findings and recommendations;
  - (e) to review the skills, independence and objectivity of the external auditors;
  - (f) to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
  - (g) to review the findings of their audit including any major issues that arose during the course of the audit that have subsequently been resolved and any unresolved audit issues. To consider key accounting and audit judgements, the level of errors identified during the audit, obtain explanations from management and, where necessary, the external auditors as to why audit differences remain unadjusted;
  - (h) to review the quality control practices of the external auditors.

- (i) to review and monitor the cost effectiveness of the audit taking into consideration any relevant professional and regulatory requirements and to approve the audit fee;
  - (j) to discuss any findings and other matters arising from the external auditors' interim and final audits;
- 7. to ensure that the work of the internal auditors and external auditors are coordinated.
- 8. to discuss with senior management and external auditors the overall results of the audit, the quality of financial statements and any concerns raised by external auditors. This should include:
  - (a) key areas of risk for misinformation in the financial statements, including critical accounting policies, accounting estimates and financial statement disclosures;
  - (b) changes in audit scope;
  - (c) whether the external auditor considers the estimates used as aggressive or conservative within an acceptable range;
  - (d) significant or unusual transactions; and
  - (e) internal control deficiencies identified during the course of the audit.
- 9. to consider and approve all instructions to the external auditor of the Bank to carry out non-audit work.
- 10. to review arrangements by which staff of the Bank may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Committee shall ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action;
- 11. to receive and review, at least annually, a report on money laundering and financial crime produced by the Money Laundering Reporting Officer of the Bank and any specific actions taken by senior management in relation to the report;
- 12. to review reports from the Head of Compliance on the arrangements established by management for ensuring adherence to internal compliance policies and procedures and compliance with specific laws and regulations, as requested by the Committee or required by laws and regulations;
- 13. to report to the Board on its consideration of the above matters, identifying those areas where action or improvement is needed, and making recommendations as appropriate;
- 14. generally to consider and examine such other matters as the Board requires, the Committee considers appropriate, or which are brought to its attention, and to make recommendations or reports to the Board as appropriate;
- 15. to review the terms of reference of the Committee annually and propose any changes it considers necessary to the Board for approval.

16. In order to discharge its duties as defined herein the Committee may request Group Internal Audit or the Country Head of Internal Audit to assist with the gathering of any necessary information as they see fit.

**MEMBERS:** The Audit Committee (the “Committee”) shall be appointed by the Board and comprise at least three members.

All members of the Committee shall be Non-Executive Directors.  
At least one member of the Committee should have significant, recent and relevant financial experience.

**CHAIRMAN:** The Committee Chairman shall be one of the members of the Committee, nominated by the Chairman of the Board and endorsed by the Board, who shall not be the Chairman of the Board.  
In the absence of the appointed Chairman, a Chairman nominated by the members shall be the Chair.

**ATTENDANCE:** Only members of the Committee have the right to attend committee meetings. However, other individuals such as any Director of the Bank, Chief Risk Officer, Head of Internal Audit, Head of Compliance, Chief Financial Officer, Group Internal Audit representatives, and external auditors may be invited to attend all or part of any meeting by invitation from the Committee Chairman.

**SECRETARY:** The Company Secretary or his/her nominee.

**QUORUM:** Any two, one of which must be the Committee Chairman or their nominee.

**MEETINGS:** The Committee shall meet at least once a quarter, interval between two meetings should not be more than 110 days, and on such other occasions the Committee Chairman deems necessary.

The Committee will meet annually with the external auditors and consider meeting at least annually on an individual basis with the Chief Finance Officer, Head of Audit and Head of Compliance without other management being present.

The Committee may meet at any time with members only being present, should it consider this necessary or desirable.

External Auditors or the Head of Internal Audit may request a meeting if they consider that one is necessary.

**MINUTES:** Full minutes of Committee meetings should be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary). Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.

**EXTERNAL ADVICE:** The Committee may seek appropriate independent professional advice at the expense of the Company Secretary as and when it considers it necessary but should consult the Board before material expenditure is incurred.

**TRAINING:** The Committee members shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members, on specific topics as required by the Members.

**APPROVED BY:** Board of Directors of the Bank  
**DATE APPROVED:** 05 December 2016

**STANDARD CHARTERED BANK (MAURITIUS) LIMITED**  
**(the “Bank”)**

**RISK MANAGEMENT AND CONDUCT REVIEW COMMITTEE**

**TERMS OF REFERENCE**

- APPOINTED BY:** The Board of Standard Chartered Bank (Mauritius) Limited (the “Board”)
- AUTHORITY:** The Committee is authorised by the Board to seek any information that it requires in connection with its purpose and responsibilities from any employee of the Bank and all employees are directed to co-operate with any request made by the Committee.
- PURPOSE:** The Committee has the responsibility for advising the board on the financial institution’s overall current and future risk appetite, overseeing senior management’s implementation of the risk appetite framework and reporting on the state of risk culture in the financial institution.

**OBJECTIVES**

- (a) Oversee Management’s activities in managing credit, market, liquidity, operational, legal, compliance, reputational and other risks and actions to mitigate such risks and to ensure that an effective risk management process is in place and functioning.
- (b) The Committee shall have the authority to require any information it sees as relevant to its activities from any officer of the Bank.
- (c) The reports of this Committee including any corrective actions taken shall be provided to the Board of Directors.
- (d) Ensure that the Bank complies with the Bank of Mauritius Guideline on Related Party<sup>1</sup> Transactions (“Guideline”).

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<sup>1</sup> “related party” in relation to a financial institution means-

- (a) a person who has significant interest in the financial institution or the financial institution has significant interest in the person;
- (b) a director or senior officer of the financial institution or of a body corporate that controls the financial institution;
- (c) the spouse, a child, the parent or ascendant or descendant of a natural person covered in paragraphs (a) and (b);
- (d) an entity that is controlled by a person described in paragraphs (a) to (c); or
- (e) a person or class of persons who has been designated by the central bank as a related party because of its past or present interest in or relationship with the financial institution being such that it might be reasonably expected to affect the exercise of best judgment of the financial institution in respect of a transaction;

- (e) The Chairperson of the Committee shall report to the Board of the proceedings of the Committee meetings, when required.

#### **RESPONSIBILITIES – RISK MANAGEMENT**

- (a) To review, formulate and recommend those policies which are reserved for the Board's approval in respect of risk management issues and strategies, and risk tolerance for the Board's approval;
- (b) To review and consider the adequacy of risk management policies and framework, identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- (c) To ensure infrastructure, resources and systems are in place for risk management i.e. to ensure that the staff responsible for implementing risk management systems perform those duties independently of the financial institutions' risk taking activities;
- (d) To review management's periodic reports on risk exposure, risk portfolio composition, risk rating systems, risk appetite, stress testing and risk management activities from senior officers;
- (e) To review and approve discussions and disclosure of risks;
- (f) To consider and provide prior endorsement for the appointment and removal of the Chief Risk Officer;
- (g) To establish and keep under review any sub-committee as may be helpful to its functions and responsibilities;

#### **RESPONSIBILITIES – RELATED PARTY TRANSACTIONS**

- (h) To ensure that the management of the Bank establishes policies and procedures in compliance with the Guidelines and to review the policies and procedures periodically to ensure their continuing adequacy and enforcement.
- (i) To delegate to any of the Executive Director to approve each credit exposures to related parties whilst ensuring that market terms and conditions are applied to all related party transactions;
- (j) To review and ratify credit exposures to related parties on a quarterly basis;
- (k) To review the practices of the Bank to ensure that any transaction with related parties that may have a material effect on the stability and solvency of the Bank is identified and dealt within a timely manner;
- (l) To ensure that board members with conflict of interest are excluded from approval process of related party transactions and ensure that the board of directors has given prior approval to write offs of related party credit exposures;

- (m) To ensure that the Bank has a robust system of checks and balances to monitor compliance with the regulatory limits, uphold impartiality and prevent any kind of credit activities which override established credit approval policies and procedures when granting credit facilities to related parties;
- (n) To review its terms and reference from time to time, at least once every two years and propose to the Board any changes that it considers appropriate; and
- (o) To consider and examine such other matters as the Board requires, the Committee considers appropriate, or which are brought to its attention, and make recommendations or reports to the Board accordingly.

**MEMBERS** : Members shall be at least 3 Non Executive Directors and the Chief Executive Officer of the Bank.

Members shall be appointed for a term of one year subject to annual renewal in accordance with their terms of appointment as Board Directors.

**CHAIRPERSON** : One of the members appointed by the Board who shall be a Non-Executive director, who shall not be the Chairman of the Board

**MEETINGS** : At least once each quarter and the interval between two meetings not being more than 110 days. The Chairperson shall call a meeting of the Committee if so requested by any Committee member, Chief Financial Officer or Country Chief Risk Officer.

**OFFICERS IN ATTENDANCE ON INVITATION** : Chief Financial Officer, Country Chief Risk Officer and any such Officer as may be requested by the Committee to be present, from time to time.

**QUORUM** : Two

**SECRETARY** : Company Secretary or his/her nominee.

**MINUTES** : Minutes of all Committee meetings shall be circulated to the Chairperson before the same are being confirmed at the next Committee meeting

**APPROVED BY BOARD OF DIRECTORS OF THE BANK ON 01 DECEMBER 2015**