

10 Years  
Anniversary

MioD 

Mauritius Institute of Directors  

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annual report **2018**



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# About the Mauritius Institute of Directors

The Mauritius Institute of Directors (MIoD) is a not for profit company, incorporated in 2008 under the Companies Act 2001.

The institute is dedicated to providing a professional forum for directors and improving corporate governance practices in Mauritius.

The MIoD aims at promoting the highest standards and best practices of corporate governance as well as providing the right platform to upgrade the directors' knowledge and skills through its four main pillars:

1. Advocacy
2. Organisational Support
3. Training
4. Networking

## Our Vision and Mission



### VISION

Our vision is to be the preferred professional organisation for directors and aspiring directors as well as business leaders and young professionals providing a forum to learn, share and develop.



### MISSION

Our mission is to champion best business practices and effective corporate governance, supporting Mauritius as a regional leader; and to be the voice of directors, through training and certification programmes, workshops and networking events, advocacy, research and thought leadership, reaching out to both private and public sector enterprises

## Our Values

### INTEGRITY

Leading Mauritian corporations and institutions to international best practice in corporate governance while upholding the highest ethical, moral and professional conduct.



### EXCELLENCE

Aiming for excellence in all we do and being passionate about our values.



### ACCOUNTABILITY

Acting responsibly and demonstrating accountability for our decisions.



### KNOWLEDGE AND FORESIGHT

Promoting the learning and continuous development of our members and the acquisition of planning and transformational skills.



### TEAMWORK AND INNOVATION

Working together, in mutual respect, towards a common goal, recognising that innovation comes from harnessing diversity.

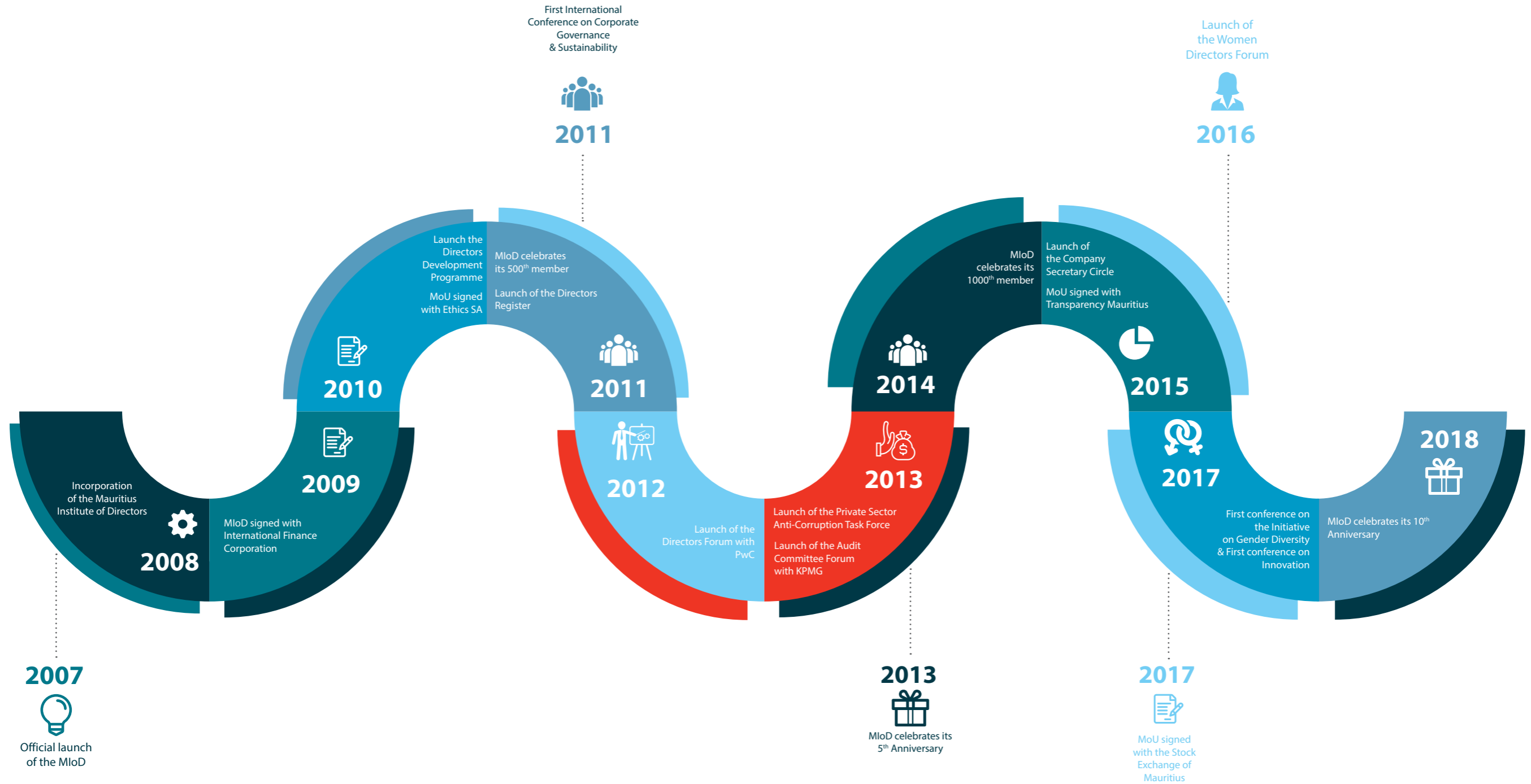


### TRANSPARENCY

Operating in a fair and transparent manner and devoting time for the benefit of the institute and its members.

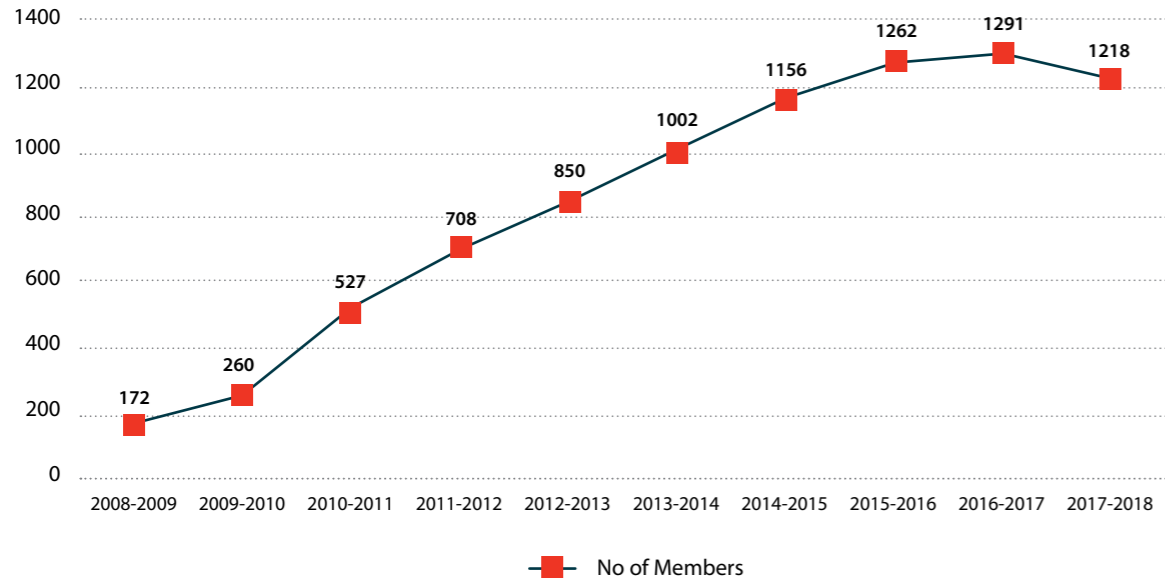


# Milestones

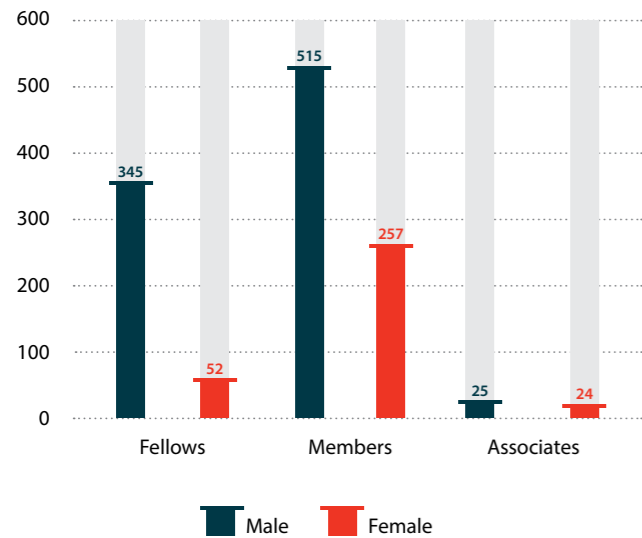


# Key Data and Highlights

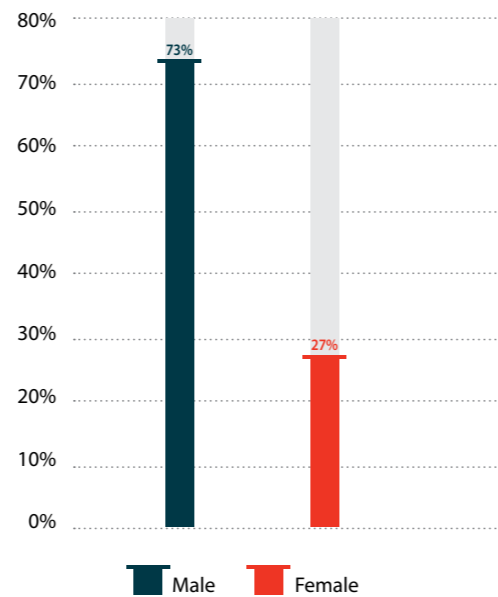
Members Growth 2008 - 2018



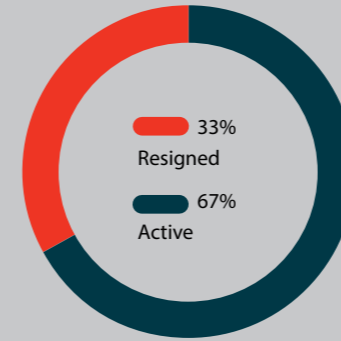
Total Members as at 30 June 2018



Members by Gender as at 30 June 2018

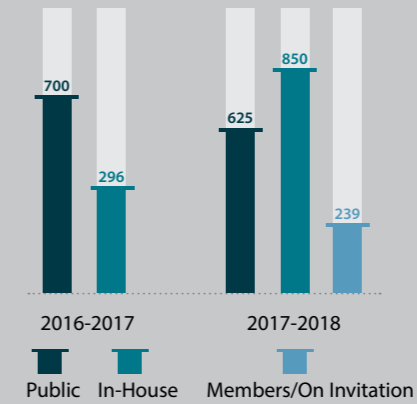


Members Retention as at 30 June 2018



Total no. of participants

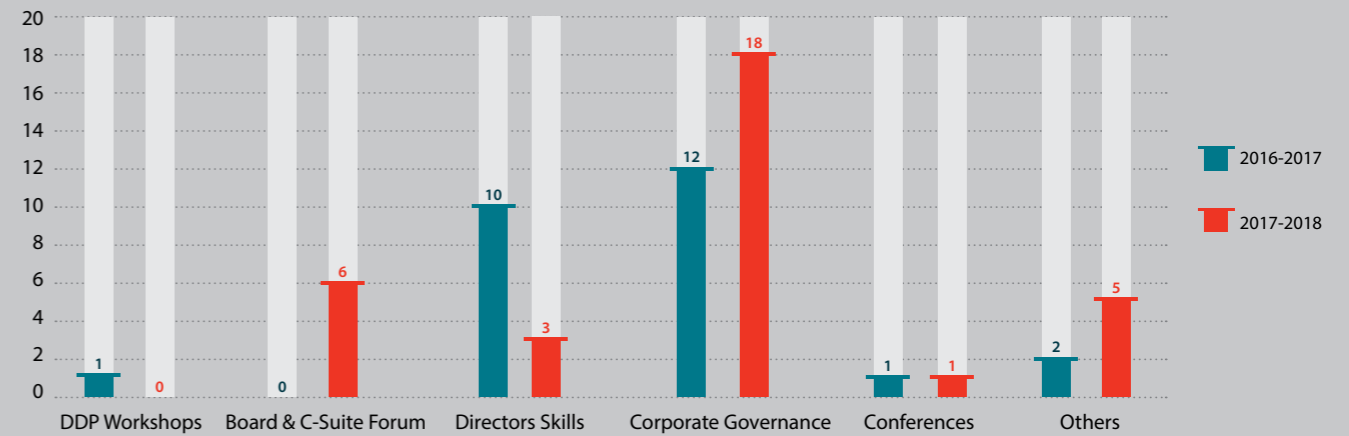
Participants 2016 / 2018



Total No. of Participants per gender

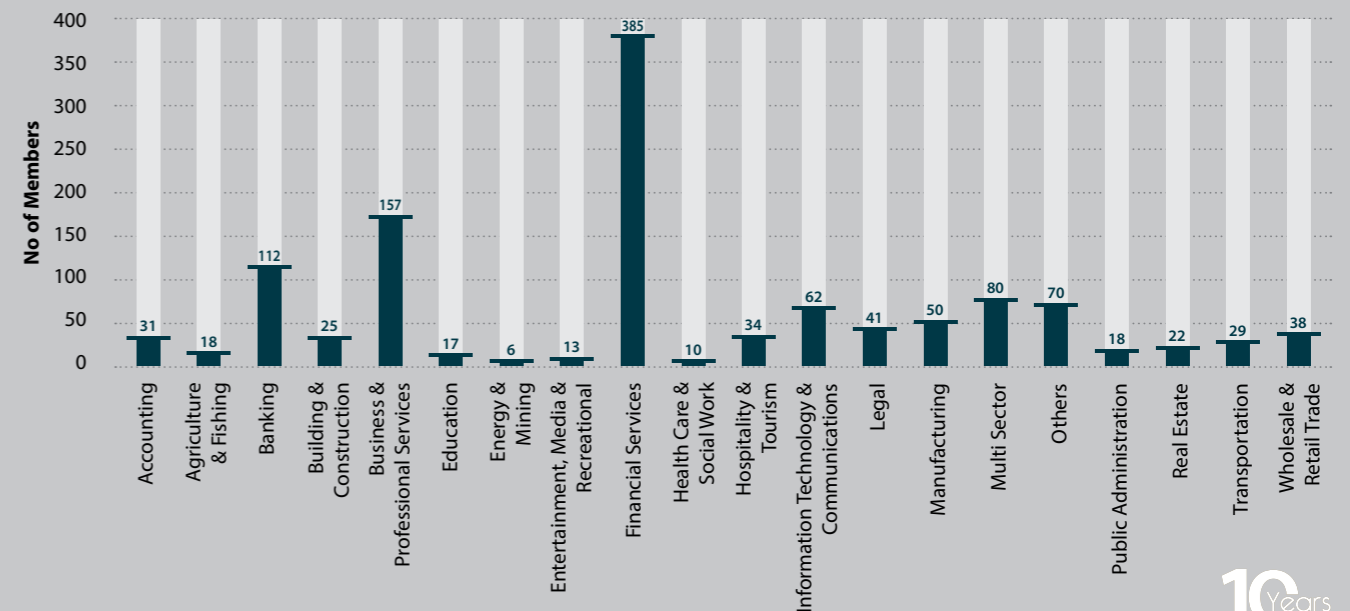


No. of sessions per category



\*The categories have been reviewed to better reflect the content of each session/workshop.

Members by Sector



# Founder Sponsors



# Patrons



# Chairman's Statement



Neemalen GOPAL

It gives me great pleasure and honour to write this statement for the annual report 2018 of the MloD that coincides with the 10<sup>th</sup> anniversary of the Institution. Our main focus is the promotion of corporate governance within boardrooms at National level. We have been running numerous workshops and training sessions that deal directly and indirectly with the subject over the last ten years. Our landmark Director's Development Programme has been widely acclaimed as the course that helps board members to acquire the necessary knowledge and skills to fulfill their responsibilities. Our Forums and Councils namely the Women Directors Forum, the Directors Forum, the Company Secretary circle, the Audit Committee Forum have contributed to publications of several guidelines on best practices in those areas.

**“The MloD will continue to support organisations in their effort to improve their processes based on the global best practices.”**

Reporting for this year will have to include the 'apply and explain' approach of the National Code of Corporate Governance for Mauritius (2016).

Reference is widely made of Corporate Governance today with almost everybody having his own understanding on its meaning. One of the definitions of Corporate Governance is: Implementing the best practices at board level that would bring improved transparency and accountability within the organisation.

This will ensure long-term success of the company while the interests of all stakeholders: Directors, Management and Shareholders are safeguarded.

In this process, the composition of the board becomes a key success factor. A good mix of executive, non-executive and independent directors is fundamental to the good running and performance of the board. Often, when one mentions board diversity the immediate consideration that comes to mind is gender. Indeed, gender is one element of board diversity. However, other key elements of board diversity are inter alia experience, competencies & skills, age group. A number of studies have shown that a truly diversified board composition lead to a more entrepreneurial, innovative and successful company.

## Special attention

It is worth paying a special attention to the wording used by Dr Chris Pierce for the Principle 2 of the new code, "The Board should contain independently minded directors". It is indeed a challenge for a company to have 'independently minded directors' in a small country like Mauritius, where the more we go up the professional or the business ladder, most people tend to know each other or are somehow related. Having independently minded directors is a must for our boards.

Also, the maximum term of mandate for independent directors is also an element that needs to be considered. It is worth mentioning that the Bank of Mauritius has addressed this issue by limiting the term of mandate of independent directors for local banks to six years.

## 10<sup>th</sup> anniversary

On this year of the 10<sup>th</sup> anniversary of the MloD, I would like to thank all our Founders and Patrons for their unflinching support during the decade. I also have a special word for the valuable contribution of previous directors and chairpersons of the MloD who have relentlessly devoted time and effort to help bring the MloD to where it stands today. Some of them continue to give their value contribution to our Forums and Councils.

We still have a long way to go to on the journey towards Corporate Governance. The last publication of Business Magazine on the ranking of the first 100 local companies, where board composition is mentioned, clearly shows that in a number of companies board diversity is not yet as per the requirements of the National Code.

The MloD will continue to support organisations in their effort to improve their processes based on the global best practices. Additionally we will encourage those who are not yet on board to initiate the same best practices both in private companies and government owned entities.

**NEEMALEN GOPAL**  
Chairman of the Board of Directors

Date: 16<sup>th</sup> August 2018

# CEO's Statement



Eddy JOLICOEUR

Dear Member,

The last twelve months have been challenging ones for the MloD. Organisations encounter what I qualify as "bumps on the road" every now and then. Turbulences may also surface from within the organisation. The boundaries between the internal and the external environments being so thin, spillover becomes inevitable.

The interim CEO, the Acting Manager, the operational team and members of the board held the fort during the larger part of the financial year. They maintained the foundations stable until my appointment in May 2018. We, relentlessly, pursued our advocacy mandate by keeping our forums and councils going. We kept the chair where our leadership was called upon and remained active on platforms where our presence was of value addition.

**“We are, more than ever, engaged in maintaining the MloD as the institute spearheading corporate governance in Mauritius.”**

Among our 2017/2018 projects, the MloD's Women Directors Forum launched a Mentorship Programme with aims of supporting current and aspiring women directors and leaders in Mauritius to fully assume their leadership role and grow in their career, and increasing the number of women on boards in Mauritius. The Programme consists of dedicated female members who are willing to help other women in the corporate world in Mauritius to achieve their goals.

The event organised by the WDF in November 2017 when the Programme was launched, showcased the results of an initial survey conducted among our female membership, which encompassed the current situation of women in the business world in Mauritius. We have, along this line, sought McKinsey & Co, for a "Women Matter" research tailor-made for Mauritius, as they conducted for Africa previously.

Our Audit Committee Forum, which exists to help audit committees improve their effectiveness as an essential component of good Corporate Governance, launched their fifth position paper on guidelines for their approach to Information Technology risks, in view of protecting companies from cyberattacks and the numerous risks that they face in a world where information technology plays a key role in the operations. Along the same line, our Company Secretaries Circle works closely with key stakeholder such as the Registrar of Companies, ICSA and the FSC for submission of recommendations for law amendments.

## Advocacy platforms

With the celebration of our 10 year anniversary, we reflect on our advocacy platforms that englobes our five forums and councils. With the maintained relationship and support of our key stakeholders and collaborators locally, such as our founders and patrons, our sponsors, members of our advocacy platforms, relevant ministries, the NCCG, the ICAC, Business Mauritius, Transparency Mauritius, the Stock Exchange of Mauritius, the Registrar of Companies, the FSC, the FRC, and internationally, such as the ICSA, GNDI, ACGN, the IFC and CIPE, we hope to promote our mission to champion best business practices and effective corporate governance to support Mauritius as a regional leader.

We have had numerous training initiatives. The main focus areas have been the New Code, Innovation and GDPR.

In collaboration with the Institute of Internal Auditors (IIA) and PwC, we also held a conference on "Directors at the Heart of Governance" with a panel discussion around the evolution of Corporate Governance and the role of Audit Committees in that respect. We partnered with the Swiss Embassy during the Swiss week in August 2017 to organise a conference on Innovation. Our members were exposed to the Swiss experience in innovative practices as well as to a few local companies which integrated innovation in their processes. The conference attracted 127 participants.

Furthermore, in collaboration with the State House, we invited Navi Radjou for a talk on Frugal Innovation, integrating sustainability in innovation. Navi Radjou, a best-selling author published by The Economist, made propositions on how companies can innovate faster, better, and sustainably in today's customer-driven economy endangered by climate change.

We took the lead to provide training sessions on the New Code of Corporate Governance that was applicable in July 2017. The programme spelt out what the new code was all about and how it was different from the previous one. The facilitator was no other than Dr Chris Pierce the principal author of the Code. 778 participants attended the different modules of the programme.

We felt that it was also our role to inform our stakeholders on the new European law on Data Protection which took effect on 25 May 2018. In this respect, a half-day session on the foundational understanding of the principles of the General Data Protection Regulation (GDPR) for Senior Executives was organised in June 2018 in collaboration with the EUGDPR and GRC Tech. The session was well attended with 51 participants.

Networking remains one of the pillars of the MloD. Members have been able to attend not less than 5 major networking events during the past year.

We held 2 Fellows Networking events. The first one in August 2017 around the Integrity Pledge Project and the second one in April 2018 with Douglas Kruger, a well-known author and facilitator on Strategy and Innovation.

The AMM in December 2017 was also a real opportunity for our members to network. We had a panel discussion around the on-going concerns on the National Code of Corporate Governance for Mauritius on the occasion.

Dr Chris Pierce's presence and talk at the all-members networking event in February 2018 provided us with an opportunity to reaffirm our commitment to advocating boardroom diversity. Last but not least, we celebrated our 10 years' anniversary in June in a festive gathering of some 150 members including past chairpersons and directors.

We are, more than ever, engaged in maintaining the MloD as the institute spearheading corporate governance in Mauritius. We have been doing so for the past 10 years and will continue the journey with the support of all our stakeholders.

**EDDY JOLICOEUR**  
Executive Director and CEO

Date: 16<sup>th</sup> August 2018



# Board of Directors

Name	Title	Gender	Date of appointment
Neemalen GOPAL	Independent Non-Executive Director, Chairperson of the Board of Directors	M	24.09.2015
Guillaume HUGNIN	Independent Non-Executive Director, Vice Chairperson of the Board of Directors and Chairperson of the Corporate Governance Committee	M	05.12.2017
Gyaneshwarnath GOWREA	Independent Non-Executive Director, Chairperson of the Audit & Risk Committee	M	05.12.2017
Jozef TOURNEL	Independent Non-Executive Director, Chairperson of the Membership & Nominations Committee	M	05.12.2017
Nathalie VENIS	Independent Non-Executive Director, Chairperson of the Education Committee	F	05.12.2017
Sanjiv BHASIN	Independent Non-Executive Director	M	05.12.2017
Philippe Olivier DECOTTER	Independent Non-Executive Director	M	25.09.2013
Linda MAMET	Independent Non-Executive Director	F	05.12.2017
Roshan RAMOLY	Non-Executive Director	M	05.12.2017
Christine SAUZIER	Independent Non-Executive Director	F	05.12.2017
Juan-Carlos FERNANDEZ-ZARA*	Executive Director and CEO	M	25.05.2016
Eddy JOLICOEUR	Executive Director and CEO	M	02.05.2018

\*Executive Director and CEO until 22 September 2017

## Directors who have submitted their resignation during the year under review

**Aisha ALLEE** – Independent Non-Executive Director (28.09.2016 to 24.05.2018)

**Paul HALPIN** – Independent Non-Executive Director (24.09.2015 to 22.11.2017)

## Directors who completed their term of office during the year under review

**Heba CAPDEVILA-JANGEERKHAN** – Independent Non-Executive Director (26.09.2012 to 05.12.2017)

**Patricia DAY-HOOKOOMSING** – Independent Non-Executive Director (26.09.2012 to 05.12.2017)

**COMPANY SECRETARY**  
Navitas Corporate Services Ltd

**REGISTERED OFFICE**  
1<sup>st</sup> Floor, Standard Chartered Tower  
19, Cybercity, Ebene 72201, Mauritius



# Director's Profile

## Neemalen GOPAL

**Independent Non-Executive Director, Chairman of the Board of Directors (55 years)**

Neemalen Gopal holds a DEUG A (Diplôme Universitaire D' Études Générales) from University of Reunion Island, a MIAG (Maitrise Informatique Appliquée à la Gestion) and a DEA (Diplôme des Etudes Approfondies) – Artificial Intelligence from the University of Grenoble, France.

He is an experienced Chief Executive Officer with a solid track record of achievements, both in the Public and Private Sector of Mauritius. He currently acts as the ' IT Cluster Director ' of the Leal Group IT Cluster, namely: Leal Communications and Informatics Limited, DistriPC Ltd, and Solinfo SARL (Reunion). He has also been a Board Member of the Internet Management Committee (ICTA), National Computer Board, State Informatics Limited, UOM Enterprise and a council member of the University of Mauritius. He was the winner of the Africa Leadership Award (Information Technology) in December 2014. He is presently a board member of the Financial Reporting council and a Fellow of the Mauritius Institute of Directors (MIoD).



## Guillaume HUGNIN

**Independent Non-Executive Director, Vice Chairperson of the Board of Directors and Chairperson of the Corporate Governance Committee (57 years)**

Guillaume Hugnin studied at the University of Cape Town in South Africa where he graduated with Honours in Economics. He completed his studies in 1997 by obtaining an MBA from the University of Surrey, United Kingdom.

Guillaume worked in South Africa and Australia for several years before joining the Eclasia Group of Companies in 1993. He has developed the export activities of the Group in Africa, Asia and the Gulf. He has participated in the creation and/or the development of many of Eclasia's companies. He is very experienced in international trade and logistic. He participated in many trade negotiating forums at SADC, and COMESA. Based at the Group's Corporate Office, he heads the Eclasia Group Export Division.

Guillaume has directorships in the FMCG sector, the hotel industry and is the past Chairman of the Mauritius Exporters Association (MEXA). He has also acted as Council member of the Joint Economic Council (JEC). He is a Board Member of Phoenix Beverages Co Ltd since 2011 and acts as Chairman for its Corporate Governance Committee. He is a fellow of the MIoD. He was recently elected on the Council of the Mauritius Chamber of Commerce and Industry.



## Eddy JOLICOEUR

**Executive Director and CEO (61 years) – Effective as from 2<sup>nd</sup> May 2018**

Eddy Jolicoeur holds of a Degree in Economics, Social Policy and Administration from the University of Kent and a Master's Degree in Human Resource Management from the University of Surrey. Upon returning to Mauritius, he started his career in the sugar industry as Human Resource and Public Relations Executive. He has worked consecutively at Deep River Beau Champ, Mon Désert Alma and Medine.

He then joined the Rogers Group as Chief Human Resources Executive in the year 2000, where he had the opportunity to sit as Director on several boards in Mauritius and abroad. He has also been the representative of Rogers as a Director of the board of Viva Voce and also of the Charles Telfair Institute. In 2008, he has been appointed Group Head of Human Resources of the MCB Group, a post which he held until April 2018. Eddy is also Adjunct Professor at the University of Mauritius, where he is a part-time lecturer. He is also a visiting fellow at the ESCP European Business School.



## Sanjiv BHASIN

**Independent Non-Executive Director (63 years)**

Sanjiv Bhasin is currently the CEO of AfrAsia Bank Limited. He has over 38 years of banking experience having held senior positions in Asia, Africa and UK markets and has headed international banks over the past 18 years as CEO. He started his career with HSBC in 1979 and, over the years, worked in various capacities mainly in the Corporate Banking, Investment Banking and Credit & Risk Management divisions in India, UK & Mauritius until 2004. His last role at HSBC was Chief Operating Officer HSBC India. From 2004 to 2008 he was the Managing Director & CEO of RaboBank in India growing the franchise to become the largest one in all foreign Asia. He thereafter joined DBS India, leading them to be the fourth largest foreign bank in India during his tenure while conceiving their digital banking array.

He is a successful leader of change and a major driver of growth at both corporate and operational levels, with a track record of delivering results in competitive markets. Sanjiv continues to build beneficial customer and staff relationships while driving banks to embrace the digital change.



## Philippe Olivier DECOTTER

### Independent Non-Executive Director (37 years)

Philippe Olivier Decotter graduated in business and private law from Montesquieu University in Bordeaux, France. In 2017, he obtained an MBA jointly awarded by the Paris Dauphine University and the Sorbonne Graduate Business School (IAE de Paris). Olivier is also certified Ethics Officer from the Ethics Institute of South Africa.

He started his career in January 2006 at Investment Professionals Ltd (IPRO), a leading Mauritius based asset management house, where he held the function of Legal & Compliance Officer as well as MLRO. He then joined GML's head office in October 2010 as Legal & Ethics Executive until 30th June 2016. On 1st July 2016, Olivier became the Group Chief Legal & Ethics Officer of IBL Ltd and thereafter, on 1st of July 2017, he was appointed as Head of Legal & Corporate Affairs of IBL. As from 1st April 2018, he took a new role as Head of Risk Management, Compliance & Regulatory Affairs at IBL. Olivier is also the Ethics Officer of IBL.

Olivier sits as member on the Boards of Directors for a number of companies within the IBL Group.



## Gyaneshwarnath (Gary) GOWREA

### Independent Non-Executive Director, Chairperson of the Audit & Risk Committee (52 years)

Gyaneshwarnath Gowrea, also known as Gary, is the Managing Director of Taxand (Mauritius) Ltd. Gary has more than twenty years' experience in international taxation and advises on tax structures set up by multinational corporations, fund managers and high net-worth individuals. He has served as the Managing Director of CIM Tax Services subsidiary of CIM Financial Services Limited. He is a speaker at several local and international conferences.

He completed his secondary education at John Kennedy College in Mauritius and holds various professional qualifications, including being a fellow of the Chartered Association & Certified Accountants, United Kingdom and a Fellow of the Mauritius Institute of Directors. He is a Member of the Society of Trust and Estate Practitioners (UK) and the International Fiscal Association. He holds a Diploma in International Taxation from Chartered Institute of Taxation (UK). He holds an M.Sc. in Accounting from De Monfort University in Leicester, UK.



## Linda MAMET

### Independent Non-Executive Director (64 years)

Dr Linda Mamet holds a BSc (First class) degree in Biology and Applied Psychology from the University of Aston, UK and an MPhil and a PhD in Plant Genetics from the University of Cambridge, UK. Her doctoral thesis has led to changes in the way new varieties of sugar cane are developed at the Mauritius Sugarcane Industry Research Institute where she worked from 1986-1999. In 1999 she joined the Regional Training Centre (RTC) and she became the Director in 2005. The RTC is a centre of international excellence for sustainable development, whose core business is the provision of training for the sugarcane industries of the region.

She has carried out several consultancies and has authored/co-authored/edited numerous reports and papers. She is a Fellow of the Mauritius Academy of Science and Technology and a Fellow of the Mauritius Institute of Directors. She is currently the Chairperson of the Société de Technologie Agricole et Sucrière de Maurice (STASM). She was formerly a member of the Council of the University of Mauritius (UOM), and has served on the University's Staff, Recruitment and Audit Committees. She has served as Council member of the Human Resources Development Council (HRDC) and was Chair of the Agro-industry Committee of HRDC, and a Member of the Audit Committee. She was Vice-Chair of the Industrial and Vocational Training Board (IVTB), and was previously Chair of the Industry Advisory Committee for Agro-industry of the Mauritius Qualifications Authority. She has also chaired the National Committee of Mauritius for the United World Colleges (UWC).



## Roshan RAMOLY

### Non-Executive Director (44 years)

Roshan Ramoly has worked in the financial services and banking industry for more than 12 years at senior managerial levels. He started his career as a Management Consultant with KPMG and DCDM Consulting before branching out into the financial services industry.

Roshan has worked for 10 years with the Cim Group, where he ended as the Managing Director of Cim Stockbrokers, the largest stockbroking firm in Mauritius, while simultaneously being the Chief Executive Marketing, Communications and CSR for the group. Roshan joined Barclays Bank Mauritius from 2012 to 2014 as Head of Strategy, Marketing, Communications, Citizenship and Events. During his tenure at Barclays, Roshan was also responsible for Customer Experience for more than a year.

Roshan was the interim CEO of the MloD until the 30<sup>th</sup> of November 2017. He is the Director of LinearArc Solutions that offers training in soft skills. Roshan also acts as an independent director on a number of boards.



## Christine SAUZIER

### Independent Non-Executive Director (51 years)

Christine is the Head of Legal of CIEL Group. She advises companies within the CIEL Group on compliance, deal structuring and shareholder matters, while also liaising with international and local lawyers in drafting, reviewing and negotiating commercial contracts and other legal documents. She has also been instrumental in dealings with the regulators like Bank of Mauritius, Financial Services Commission and with the Stock Exchange of Mauritius. Christine has been involved in various Mergers & Acquisitions transactions for the Group with exposure to diverse industries like Banking, Hotels, Property, Healthcare, Private Equity, Textile, Agro Business and Fiduciary. She has also been involved in cross border deals in various countries notably in Sub-Saharan Africa, Indian Ocean and Asia.

She is a Director on various listed companies namely The Medical and Surgical Centre Ltd, IPRO Growth Fund Ltd and IPRO Funds Ltd (IPRO African Market Leaders Fund - Class (I2) Institutional Class).

Christine is an Attorney-at-Law and holds an LLB (Hons) from the University of Mauritius and a 'Licence en droit privé' from the Faculté des Sciences Juridiques, Université de Rennes, France. She is a fellow of the MloD.



## Jozef TOURNEL

### Independent Non-Executive Director, Chairperson of the Membership & Nominations Committee (60 years)

Jozef Tournel is a Business Consultant specialized in Executive Search and Organisational effectiveness & restructurings, Business Strategy development and implementation of Change Management projects.

Jozef is the Managing Partner and practice lead for Africa at EMA Partners International, a Global Executive Search & Organisational Design Company, focused on Financial services, OIL-Gas, Pharma & FMCG and Automotive Industries.

His know-how in financial services is especially focused on Private Banking and Wealth Management, Private Equity and Investment companies. He worked as Managing Director for UBS Wealth Management and TPG Capital in Switzerland.

He is currently an Independent Director on the Board of Bank One Ltd. Jozef holds a Bachelor in Strategic HR Management from the Brussels University and a Financial Management post-university degree at the Antwerp University. He is a Fellow of the Mauritius Institute of Directors and is also a holder of an ISO 9001 lead audit certificate.



## Nathalie VENIS

### Independent Non-Executive Director, Chairperson of the Education Committee (50 years)

Nathalie Venis' international career spans almost three decades. At 50, she reckons over 10 years of managerial experience in the LPG industry. Currently, as Head of Downstream & Storage at Petredec, her main responsibilities at Petredec are to oversee the Group's operations in both Mauritius and Reunion Island.

Nathalie started her rich career in the Public Sector in The Netherlands. She then moved on and acquired close to 10 years of working experience in the Dredging and Land Reclamation industry, first as (Financial) Management Assistant and Paralegal with the Dutch Royal Boskalis Westminster Group and later in Reunion Island as Site Administrator with the Belgian DEME Group. In between she spent 6.5 years working as a Senior Consultant for Cartesis SA, now part of SAP, a French software editor specialised in Business Performance Management solutions for large and complex groups.

Nathalie Venis is a Member of the National Committee on Corporate Governance and Board Member of the Institut de la Francophonie pour l'Entrepreneuriat (IFE) Foundation.



# The Team



From left to right : Binesh **Bheekhoo**, Accountant  
Narmeen **Khan Khodabocus**, Accounts Clerk  
Maëta **Appavou**, Membership Executive

Jennifer **Edouard**, Business Support Officer  
Eddy **Jolicoeur**, Executive Director and CEO  
Isabelle **François-Gopal**, Training & Administrative Executive  
Nafeeza **Mulung**, Training and Administrative Officer

# Director's Report – Operational Review

## 1. INTRODUCTION

The MloD celebrated its 10 years of existence in January 2018 and since its creation, it has continuously remained committed to promoting good governance not only in terms of compliance but also in creating the awareness around other global best practices in boardrooms and across the organisations.

The strategy at the time of its incorporation was focused mainly on education but over the years, it has extended its services to provide to organisations more tailor made programmes as well as organisational support services such as board evaluations, corporate governance assessments, and ethics risks assessments amongst others.

Following an increasing demand of organisations willing to have independent directors on their boards, the MloD has created a Directors' Register offering therefore an additional service to its members who would be interested in directorship.

Moreover, the MloD has also created in partnership with key stakeholders several forums and councils to discuss on key issues that affect the corporate world and the Mauritian economy, thus allowing the members and organisations in general, to benefit from the findings of the research and discussions undertaken.

This report will therefore give an overview of the different areas of focus namely Advocacy, Organisational Support, Training and Networking whereby Membership is at the heart of MloD's priority.



## 2. MANAGEMENT OF THE MIOD

The day to day activities of the MloD are managed by the Chief Executive Officer, who is also an Executive Director appointed by the Board.

The Board of the MloD meets regularly to review the activities of the institute i.e. its business, economic, environmental and social practices it has adopted. The governance dimensions of the MloD are set out in the Corporate Governance Report on pages 42 to 55 of this report. The Board is constituted of 11 members and has 4 sub-committees namely the Audit & Risk Committee, the Corporate Governance Committee, the Membership & Nomination Committee and the Education Committee.

The MloD functions through the support of its Founders and Patrons as well as its Members who are expected to abide by the Code of Conduct.

As at 30<sup>th</sup> June 2018, the MloD had 12 Founders, 19 Patrons and 1218 Members.

The MloD's key areas of focus are generally carried out in Mauritius but the MloD does respond to specific overseas requests.

## 2.1 Human Resources

Up till 22<sup>nd</sup> September 2017, the MloD was run by a male and 6 female staff members. On 25<sup>th</sup> September 2017, the MloD lost 4 employees including the CEO. An Interim CEO was appointed by the Board, in the person of Mr. Roshan Ramoly for two months followed by Isabelle François-Gopal, Training and Administrative Executive, appointed as Acting Manager until the new CEO was recruited in May 2018.

A new CEO was appointed on 1<sup>st</sup> May 2018 in the person of Mr. Eddy Jolicoeur; his profile can be seen under the Directors' Profile section.

At 30<sup>th</sup> June 2018, the team of the MloD consisted of 1 male and 4 female employees; all were Mauritian Citizens, 4 employed on permanent full-time contracts and 1 on a fixed-term contract.

In order to reinforce the team, the MloD intends to recruit a Marketing and Communication Executive as well as a Business Support Officer on permanent full-time contracts.

The accounting is outsourced to Cays Associates whereby we have 1 Accounts Officer who is based at the MloD and 1 Accountant who comes at regular intervals to supervise the accounting activities. The IT is outsourced to Harel Mallac Technologies and the company secretarial services to Navitas Corporate Services Ltd.

## 2.2 Stakeholder Engagement

This year the MloD has been reviewing its strategy to better respond to the needs of its stakeholders. It is therefore essential for the organisation to have continuous dialogue and maintain close proximity with them. Meetings, surveys and on-going evaluations of our training programmes are done to identify and address issues that are relevant to our stakeholders. This is also a way for us to give the opportunity to our stakeholders in assessing the MloD's performance, risks and opportunities.



**Annual Members Meeting**

The MloD's various Forums and Councils also provide opportunities for our stakeholders to contribute their knowledge and experience as well as share their views with the MloD on key issues.

All stakeholders' suggestions and concerns are addressed on an ongoing basis and regularly reported to the Board.

In order to better understand our stakeholders' interaction model, a value chain for the MloD's services has been mapped taking into consideration the following factors to identify the different stakeholders:

- The **enabling business environment** which is the set of critical factors and trends that shape the supply-chain environment and operating conditions. The critical factors and trends are determined by institutions that form part of the cohort of the MloD's stakeholders.
- The local and international **partners** which collaborate with the MloD around its four focus areas.
- The **service providers** that provide the support for the overall efficiency of the supply chain.

### Enabling Factors

- Laws and Codes – Mauritius Companies Act 2001 and other relevant legislation; National Code of Corporate Governance for Mauritius (2016)
- Government – Ministry of Financial Services and Good Governance, Ministry of Finance and other ministries
- Regulators – Registrar of Companies, Bank of Mauritius, Financial Services Commission, Financial Reporting Council, Stock Exchange of Mauritius
- NCCG – National Committee on Corporate Governance
- MQA and HRDC – Mauritius Qualifications Authority and Human Resources Development Council
- GRI - Global Reporting Initiative
- IFC/WB/GCGF – International Finance Corporation, World Bank, Global Corporate Governance Forum
- The Ethics Institute (South Africa)
- ICAC - Independent Commission Against Corruption

### Service Providers

Suppliers – (venues, banks, insurance companies, printers, landlord, sponsors, advertising agency, PR agency, accountants, external auditor, IT service providers, trainers, consultants and advisers)

Training providers – IFC Global Corporate Governance Forum, The Ethics Institute, ELIA, Earthwise Centre, PwC, Red Dot and other ad hoc international external providers.

## Local and International Partners

The local and international partners of the institute are highlighted in the tables below. These partners have regular interactions and collaborate with the institute to promote good governance in Mauritius.

Local Partners include:	
ABAX	Company Secretary Circle
ACCA	Training, ACGN, Business Continuity Plan
Association of Restaurateurs and Hotels in Mauritius (AHRIM)	Private sector anti-corruption initiative
Bank of Mauritius	Training
Business Mauritius	Private sector anti-corruption initiative, Integrity Pledge Project
Competition Commission	Training
Earthwise Centre	Training
ELIA	Training, Organisational support
EY	ACGN
Financial Reporting Council	Training
Financial Services Commission	Directors Forum, Training
Global Finance	Training
Institute of Internal Auditors	Training, Audit Committee Forum
ICAC	Private sector anti-corruption initiative, Training
ICSA	Training, Company Secretary Circle
Korn Ferry	Research
KPMG	Audit Committee Forum, Training
Mauritius Bankers Association	Training
Mauritius Chambers of Commerce and Industry	Training
Mauritius Institute of Professional Accountants	Training
Ministry of Financial Services & Good Governance	Good Governance Awards for the Public Sector, Training
National Committee on Corporate Governance	National Code of Corporate Governance
Office of Public Sector Governance	Training
PwC	Annual Reporting Awards, Directors Forum and training
Red Dot	Training
Registrar of Companies	Directors Forum, Company Secretary Circle, training
Stock Exchange of Mauritius	Sustainability Index
Transparency Mauritius	Private sector anti-corruption initiative, Integrity Pledge Project, Business Continuity Plan
White & White Associates	Training

Although the activities of the MloD are limited to the territory of Mauritius, it does collaborate with other Institutes of Directors in the region and in the world. The MloD has thus contributed to the launch of the African Corporate Governance Network, a forum which currently regroups 17 Institutes of Directors in Africa. The MloD also forms part of the International Corporate Governance Network ("ICGN") and is an active member of the Global Network of Director Institutes ("GNDI").

International Partners include:	
African Corporate Governance Network	Collaboration, training, research
Asian Centre for Corporate Governance and Sustainability	Reciprocal arrangements
Australian Institute of Corporate Governance	Reciprocal arrangements
Brazilian Institute of Corporate Governance	Reciprocal arrangements
Caribbean Corporate Governance Institute	Capacity building and support
Centre for International Private Enterprise	Grant agreement for the Integrity Pledge Project
Egyptian Institute of Directors	Reciprocal arrangements, ACGN
Ethiopian Institute of Corporate Governance	Reciprocal arrangement, ACGN
Global Governance Services Ltd	Capacity building, support, training
Global Network Directors Institute	Policy and research
Hong Kong Institute of Directors	Reciprocal arrangements
International Corporate Governance Network	Conferences, policy and research
IFC Global Corporate Governance Forum	MoU for training
Institut Français des Administrateurs	Reciprocal arrangements
Institute of Corporate Governance Tunisia	Reciprocal arrangements, ACGN
Institute of Corporate Governance Uganda	Reciprocal arrangements, ACGN
Institute of Directors Kenya	Reciprocal arrangements, ACGN
Institute of Directors Malawi	Reciprocal arrangements, ACGN
Institut Marocain des Administrateurs	Reciprocal arrangements, ACGN
Institute of Directors Mozambique	Reciprocal arrangements, ACGN
Institute of Directors Nigeria	Reciprocal arrangements, ACGN
Institute of Directors Southern Africa	Reciprocal arrangements, ACGN
Institute of Directors in Tanzania	Reciprocal arrangements, ACGN
Institute of Directors of Zambia	Reciprocal arrangements, ACGN
Institute of Directors Zimbabwe	Reciprocal arrangements, ACGN
OECD	Guidelines on Corporate Governance of State-Owned Enterprises
Mindofafox	Training
Singapore Institute of Directors	Reciprocal arrangements
TomorrowToday	Training
Verlion Pte Ltd	Training
The Ethics Institute (South Africa)	MoU for training, research and sharing information, ACGN
The Winning Edge	Training

### Stakeholder Engagement Mechanism

Accordingly, the main stakeholders and the modes of engagement are set out in the next table.

Stakeholders	Engagement Mechanism
Founders & Patrons	One to one meetings, training sessions, networking events, newsletters, surveys, social media, focus groups, Forums & Councils
Members	Annual Members Meeting, newsletters, surveys, training sessions, networking events, social media, email, focus groups, Forums & Councils
Corporate Sector – Public & Private	One to one meetings, training sessions, advertisements, networking events, social media, newsletters, surveys, focus groups, Forums & Councils
The Community	Advertisements, networking events, social media, newsletters, surveys, Forums & Councils
Forums & Councils	Regular meetings, focus groups, training events
Board & Committees	Board & Committee meetings, Management reports, one to one meetings with directors, Board evaluations, Forums & Councils
Policy Makers & Regulators	One to one meetings, training sessions, advertisements, networking events, social media, newsletters, surveys, focus groups, Forums & Councils
Kindred Organisations & Local Partners	One to one meetings, training sessions, advertisements, networking events, social media, newsletters, surveys, focus groups, Forums & Councils
International Partners	One to one meetings, training sessions, advertisements, networking events, social media, newsletters, surveys, focus groups, Forums & Councils
Management & Employees	One to one meetings, training sessions, social media, newsletters, surveys, staff meetings, performance evaluations, Forums & Councils
Suppliers	One to one meetings, social media, newsletters, surveys
The Media	Advertisements, training sessions, social media, newsletters, press releases, events
Training Providers	One to one meetings, training sessions, advertisements, networking events, social media, newsletters, surveys, focus groups, Forums & Councils

### Procurement Management

The MloD has a Procurement Policy which ensures that all procurement activities carried out by the MloD:

- provide best possible value
  - are conducted in a fair, objective and transparent manner
  - are compliant with all relevant legislation and any other related policies
  - use best practice in the application of ethical standards
  - are consistent with the MloD's Vision, Mission and Values.
- The choice of suppliers are influenced by the hyphenated objectives.

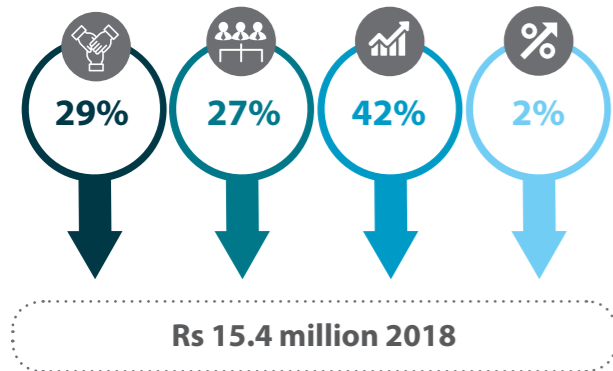
Although environmental benefits are considered as part of the procurement process, with due consideration given to all relevant aspects of whole life-cycle costs of products, the MloD does not have a specific policy of preferring locally based suppliers. Forced or compulsory labour is illegal in Mauritius and the MloD's Procurement Policy (available on the website [www.miod.mu](http://www.miod.mu)) states that all procurement activities within the MloD will be carried out to the professional standards required by best practice and in compliance with all prevailing legislation, the National Code of Corporate Governance for Mauritius (2016) and the MloD's Code of Conduct. All MloD suppliers are expected to comply and none are considered to be a risk.

For some events, and where a local capacity gap exists, the MloD has recourse to overseas facilitators to bring best practice to Mauritius. The MloD has assessed the geographical spread of its procurement practices and 73% of our procurement budget is spent on local suppliers.

### 3. THE MIOD'S PERFORMANCE & ACHIEVEMENTS

#### 3.1 Financial Performance and Reserves

- Contribution from Founders & Patrons
- Contribution from Members
- Revenue from workshops and other services
- Interest received



2017/18		2016/17	
Deficit	Accumulated Funds	Deficit	Accumulated Funds
Rs 624,666	Rs 7,030,515	Rs 1,064,502	Rs 7,655,181

Table 1: Deficit and Reserves

More details on the financials can be found as from pages 60 to 76.

#### 3.2 Membership

Membership is the heart of MloD's activities. At its incorporation in 2008, the MloD had only 172 members and 10 years later, this number has increased to 1218 and it continues to grow despite numerous resignations each year.

At the renewal period in December 2017, 66 members have resigned. The main reason of these resignations was relocation. Among the 1218 active members, we can count 564 Directors.

The membership is divided in 3 categories: Fellows, Members and Associates. The "Associates" category constitutes mainly of full-time students at a recognised tertiary educational institution and young entrepreneurs. The aim of the MloD is also to increase the number of Associates as the vision of the MloD is also to help young professionals and aspiring directors through workshops and forums.

Since January 2018, we have on boarded 73 new members: 17 Fellows, 52 Members and 4 Associates. It is to be noted also that at the end of June 2018, 34 members have been classified as debtors due to non-payment. The bad debts represent Rs112, 800.

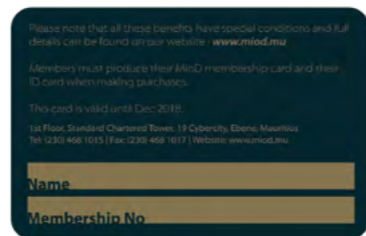
#### 3.2.1 Directors Register

The MloD keeps and administers a Director Register. This Register consists of a pool of directors and senior executives from different sectors of industries and professions who have the potential to exercise as independent directors on boards of other organisations.

As at 30<sup>th</sup> June 2018, 699 members are currently recorded on the Directors Register from which we offer directors' searches as a service against an administrative fee.

#### 3.2.2 Affinity Partners and the Membership Card

The MloD has a list of 16 Affinity Partners that support the Institute by providing discounts on numerous services and products through the Membership Card. The different services and products include, luxury goods, insurance, medical services, IT products, hospitality and travel amongst others.



### THE AFFINITY PARTNERS FOR THIS YEAR ARE LISTED BELOW:



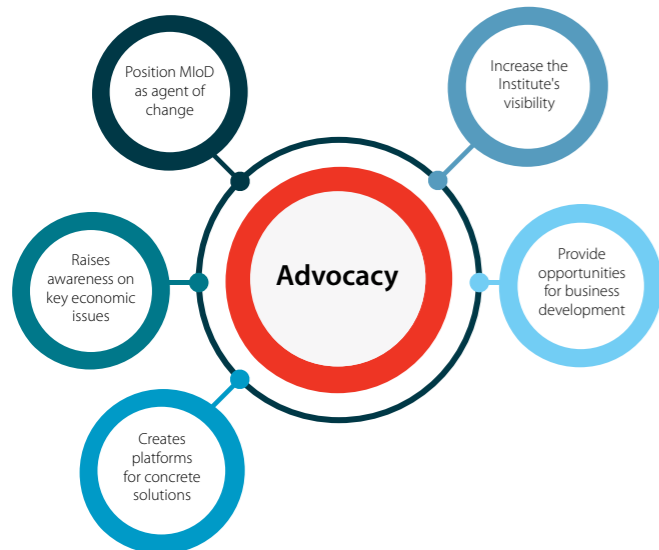


**3.2.3 Other Membership Benefits and Services**

Additionally to the discounts associated with the Membership Card, Members of the MIoD have other benefits and services which include:

- Discounted rates for workshops run by the MIoD
- Quarterly newsletter with latest information on global trends
- Reciprocal links with other IoDs throughout the world
- Library and on-line documentation centre
- Discussion forums, debates, seminars and conferences
- Special members events
- Information and guidance services
- Automatic inclusion (Members & Fellows), unless opted otherwise, on the Directors'
- Register and Search Service for Independent Director placements (exclusive service to Members and Fellows)
- Use of post nominals in recognition of your professional membership

**3.3 Advocacy**



Since its inception 10 years ago, the MIoD has had various Forums and Councils, aligned to its mission to champion best business practices and effective corporate governance, through advocacy, research and thought leadership, in Mauritius. Currently, the MIoD has five Forums and Councils, namely the

- Audit Committee Forum;
- Company Secretaries Circle;
- Directors Forum;
- The Private Sector Anti-Corruption Taskforce;
- Women Directors Forum.

One previous Council, namely the Whistleblowing Council was put on hold for reasons explained in Section 3.3.6.



**Innovation Conference in collaboration with Swiss Embassy August 2017**

The following section details the activities of the Forums and Councils for the financial year 2017-2018.

**3.3.1 Audit Committee Forum (ACF)**



**Launch of Position Paper 5 July 2017**

The Audit Committee Forum ("ACF") was set up by the MIoD in June 2013, in collaboration with KPMG (Mauritius Branch). The objective of the ACF is to help Audit Committees in Mauritius, in both the public and the private sectors, to improve their effectiveness as an essential component of good Corporate Governance.

At the end of the financial year 2017/2018, the Audit Committee Forum had published a total of 5 papers, namely:

- Position Paper 1 - Best Practice Guidance Notes for Audit Committees
- Position Paper 2 - Interaction of Audit Committees with Internal and External Auditors
- Position Paper 3 - The Audit Committee's Role in Control and Management of Risk
- Position Paper 4 - Guidelines for the audit committee's assessment and response to the risk of fraud
- Position Paper 5 - Guidelines for the Audit Committee's approach to Information Technology risk

The fifth position paper on IT risk was launched during the financial year being examined in this Annual Report. Soft copies of all the papers can be found on the MIoD website at [www.miod.mu](http://www.miod.mu).

The ACF is currently working on Position Paper 6 entitled "Audit Committee Guidelines for Evaluating Whistleblowing Systems".

**The Members of the Audit Committee Forum this year were:**

Anil Gujadhur (Chairperson until June 2018) <sup>1</sup>	Melissa Lesage <sup>3</sup>
Varsha Bishundat	Georges Leung Shing
John Chung	Sanjay Molaye
Jerome de Chasteauneuf	Sumita Moorooogen
Maurice de Marassé Enouf	Nafeeza Mulung
Pierre Dinan	Christine Ng Cheong Hin
Jean-Michel Felix	Madhavi Ramdin-Clark
Juan Carlos Fernandez Zara <sup>2</sup>	Khemraj Reetun
Bharatee Gooroochurn	Nashreen Rojoa
Nesmah Ibrahim	Sheila Ujoodha
Fabrice Koenig	

<sup>1</sup>Mr. Anil Gujadhur unfortunately passed away in June 2018

<sup>2</sup>Until September 2017

<sup>3</sup>Until September 2017

**3.3.2 Company Secretary Circle (CSC)**

The MIoD and the Institute of Chartered Secretaries and Administrators ("ICSA") in Mauritius, set up the Company Secretaries Circle ("CSC") in 2015 with the sponsorship of ABAX. The CSC provides an advocacy platform that works on addressing issues raised by company secretaries in the performance of their duties. During the last financial year, a survey sent to the members concluded that the CSC will remain an advocacy platform with a networking component also.

As one of the objectives of the CSC is to produce position documents through consultation(s) with the government and regulatory bodies in Mauritius, to contribute to policy development, the CSC currently consists of a core group of members, who are entrusted the responsibility of meeting key stakeholders regularly, to address their issues and submits recommendations to law amendments. For this financial year, the CSC has submitted recommendations to amendments in the Companies Act 2001 to be addressed during pre-budget consultations.

### The Members of the Company Secretaries Circle this year were:

Marie-Anne Adam	Louis Denis Koenig
Eddie Ah Cham	Sabrina Kong
Sharon Ah Lin	Melissa Lesage <sup>2</sup>
Christian Angseesing	Steve Leung
Virginie Corneillet	Veronique Magny-Antoine
Doris Dardanne	Ambrish Maharajah
Narad Dawoodarry	Nafeeza Mulung
Clothilde de Comarmond	Kreshan Narroo <sup>3</sup>
Juan Carlos Fernandez Zara <sup>1</sup>	Sudhir Nathoo
Nathalie Gallet	Kareen Ng
Sophie Gelle	Marivonne Oxenham
Patricia Goder	Nisha Proag-Dookun
Preety Gopaul	Risha Ranlaul-Sookun
Patricia Grenouille	Shailen Soobah
Nesmah Ibrahim	Helene Thevenau
Navin Jowaheer	

<sup>1</sup>Until September 2017

<sup>2</sup>Until September 2017

<sup>3</sup>Mr. Kreshan Narroo unfortunately passed away in February 2018

### 3.3.3 Directors Forum (DF)

The Directors Forum (DF) was set up in January 2012, to support the MIOD in building more effective boards and promote good governance. The Forum is sponsored by PwC Mauritius. Consisting of members who are respected local directors and professionals with backgrounds in law, economics, finance and accounting, business and academia, private and public sector, the DF's objectives are to contribute to policy development and sharing of effective governance practices.

As such, the DF has submitted to the Ministry of Financial Services, Good Governance and Institutional Reforms in 2016, their views on the Government's decision to introduce an Audit Rotation Policy. The DF has also published 3 Position Papers so far, in line with its objectives, as follows:

- Position Paper 1 – Best Practice Guidelines for the Appointment of Directors
- Position Paper 2 – An Ethics Guide for Boards
- Position Paper 3 – Engaging with Shareholders – A Guide for Boards

In March 2018, the MIOD's Education Committee met with selected members of the Forum.

It was agreed that no plenary session of the Forum will be set at this time, until the new CEO of the MIOD is in place.

Items to be reviewed with new CEO will be the working paper on "Board Evaluation" as well as the ToR of the forum. A plenary meeting is expected to be held in August 2018.

### The Members of the Directors Forum this year were:

Richard Arlove	Ravin Lama
Sunil Benimadhu	Matthew Lamport
Prabha Chinien	Georges Leung Shing
Bhagwansing Girish Dabeesing	Catherine McIlraith
Jean-Paul de Chazal (Chairperson)	Giandev Moteea
Pierre Dinan	Aruna Radhakeesoon
George Dumbell	Kemraj Reetun
Gerard Garrioch	Benu Servansingh
Michael Ho Wan Kay	Aisha Timol

### 3.3.4 Private Sector Anti-Corruption Taskforce (PACT)

PACT is a voluntary private sector anti-corruption initiative, which has been set up with the collaboration of Business Mauritius ("BM"), the Independent Commission against Corruption ("ICAC"), Transparency Mauritius ("TM") and various private sector companies in Mauritius.

The mission of PACT is to promote an environment in which business is conducted with integrity in Mauritius. For the purpose of furthering its mission, PACT worked on the Integrity Pledge Project ("IPP"), which aims at supporting the fight against corruption in the private sector. The project makes the case for companies to adopt the Integrity Pledge as a formal commitment to combat corruption.

### The Members of the Private Sector Anti-Corruption Taskforce this year were:

Renu Audit	Ishwar Jheenghut
Rajen Bablee	Jocelyn Kwok Tin Siong Yen
Harry Bansroopun	Sebastien La Hausse de Lalouvière
Gilbert Bouic	Kevin Ramkaloan
Velamah Cathapermal-Nair	Deon Rossouw
Olivier Decotter	Nandita Devi Suneechur
Pradeep Dursun	Aisha Timol
Juan Carlos Fernandez Zara (Chairperson) <sup>1</sup>	Poubasini Vythelingum
Faeza Ibrahim	

<sup>1</sup>Until September 2017

Following discussions with the Center for International Private Enterprise ("CIPE"), a US organisation with the mission of strengthening democracy around the world through private enterprise and market-oriented reforms, the MIOD and CIPE entered into a grant agreement in the last financial year. The purpose of the grant was to enable the MIOD, through PACT, to carry out the development and implementation of the IPP. CIPE agreed to assist the MIOD in the development of an auditable standard, including a self-assessment tool, for Mauritian companies to voluntarily use it as an instrument to assess their ethical culture, anti-corruption framework and integrity model.

PACT finalised the development of an Integrity Pledge and a Self-Evaluation Tool ("SET") and the IPP was launched on 19<sup>th</sup> May 2017.

So far five companies have applied to become members of the IPP. More information on the process can be found on the MIOD website at [www.miod.mu](http://www.miod.mu). The MIOD is currently in discussion with CIPE for the next phase of the project.

### 3.3.5 Women Directors Forum (WDF)

The MIOD launched the Women Directors Forum in January 2016 as a platform to discuss the present situation regarding gender diversity on boards in Mauritius and at leadership positions. The platform also helps understand the challenges and obstacles for women becoming directors in Mauritius and propose solutions to address those challenges and obstacles. The objective of the Forum is to push for more women in boardrooms and at leadership levels.

### The Members of the Women Directors Forum this year were:

Catherine Ahnee	Catherine McIlraith
Susanne Alfs	Nafeeza Mulung
Aisha Allee	Justine Page
Vimi Appadoo	Caroline Piat
Ackbaree Aumerally	Aruna Radhakeesoon
Priscilla Balgobin	Anita Ramguttay Wong
Nousrath Bhugeloo	Anne Rogers
Heba Capdevila-Jangeerkhan	Rubina Ruhee
Francoise Chan	Jacqueline Sauzier
Virginie Corneillet	Lekha Seebaluck
Patricia Day-Hookoomsing (Chairperson) <sup>1</sup>	Aisha Timol
Sophie Desvaux	Sheila Ujoodha
Audrey d'Hotman	Karen Van der Wath
Usha Dwarka	Natalie Venis
Danielle Lagesse	Jennifer Wong
Linda Mamet	Margaret Wong
Christine Marot	Christiane Yeung

<sup>1</sup>Until December 2017



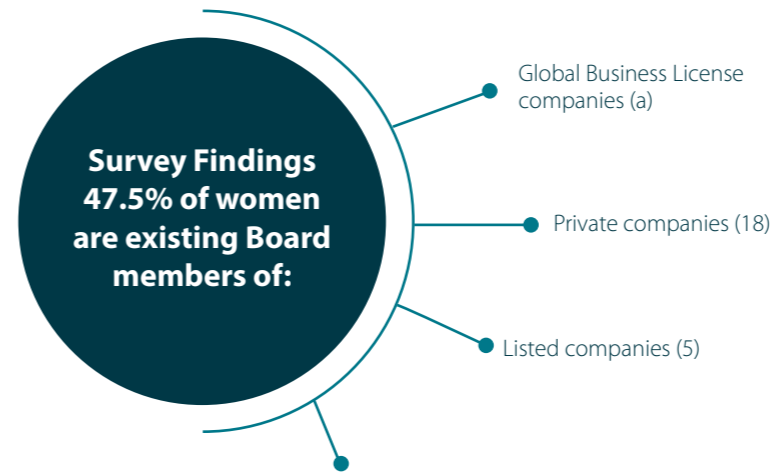
Following the Initiative for Gender Diversity in Leadership Conference held on February 2017, to examine the lack of gender diversity in leadership positions in Mauritian companies, the initiative was merged with the WDF, with both sharing the same objective i.e. of creating awareness and lobbying for more women at board and leadership levels in Mauritius.

It was noted that for this objective to be achieved, more research should be conducted locally and programmes should be available to enable these women to grow in their career.

With aim of identifying appropriate means of support for current and aspiring women directors and leaders, to enable them to fully assume their leadership role, the WDF conducted a survey research to get more information on the current local situation. An event was then organised in November 2017, in collaboration with MCB, to showcase the survey results, as well as provide women insights into the « Women Matters » McKinsey report for Africa.

This event concluded in the launching of a « Women Matters » report in collaboration with McKinsey and tailor-made for Mauritius, as well as the launching of a Mentorship Programme as network to support women in the business world in Mauritius in developing and building confidence. The latter encourages women to register themselves with the MloD to benefit such mentoring as well as provide mentoring to other women.

The Mentorship Programme had 20 women who registered as mentors. As such, the MloD organised a session in May 2018, to train the registered women on how to be a mentor.



50% of women sit in committees, of which the largest representation is in audit and risk, but interestingly the remuneration committees is not represented by women in this survey sample.

**96.6%** of women who took the survey feel that there is a need for the WDF to support women

The expectations are mainly in:

- Mentoring
- Leadership training
- Confidence building

Most women are interested in a mix of both individual and group coaching once a month (71.2%)

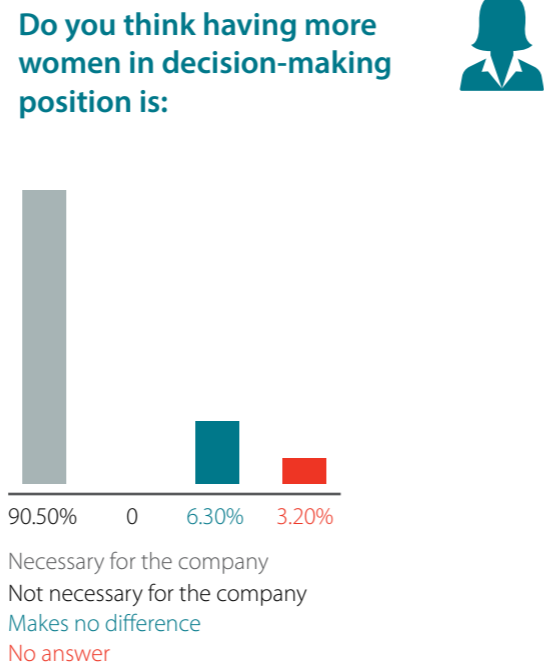
# Facts and Findings of Survey done by the Women Directors Forum

**69%** hold executive positions

Of the **29%** who do not hold executive positions reasons given where:

- “anytime” performance model and leadership styles
- not seeing enough opportunities for women to take higher positions
- need of mentoring & sponsorship
- lack of confidence
- too much sacrifice to personal and family life
- need for flexible working hours

Of those same about group **27.5%** are motivated to seek higher positions for themselves



**Do you feel that Board / Gender Diversity should be imposed by the use of quotas, targets and penalties for not meeting regulations?**



**What are your expectations from the WDF Support Group? What areas of support would interest you most?**



### 3.3.6 Whistleblowing Council

The Whistleblowing Council was set up through collaboration between MIOD and Transparency Mauritius in 2013, with aim to promote whistleblowing in the private sector. The Council submitted recommendations to the government for amendments to the Companies Act and the setting up of an Independent Whistleblowing Service in 2015.

Since the introduction of the Good Governance and Integrity Reporting Act 2015, which has the objective, among others, to protect and reward persons making disclosures and reports, and Transparency Mauritius having a whistleblowing service targeting the private sector, it was agreed that the latter would be better equipped to deal with the matter.

The MIOD extends its gratitude to all members of the Whistleblowing Council for their time and efforts to promote a culture of good governance in Mauritius. The work carried over the years has greatly contributed to raising awareness on the whistleblowing.

### 3.4 Organisational Support

An important pillar of the MIOD is the Organisational Support that it provides to companies. These services aim at encouraging companies to adopt good governance practices based on international benchmarks. The support consists of elements such as corporate governance assessments, board evaluations, the drafting of policies, the drafting of codes of ethics and business conduct amongst others.

We believe that although Mauritius was ranked 1<sup>st</sup> in terms of Governance on the Mo Ibrahim Index, the public as well as the private sector should work together so that we can improve the practices particularly in terms of diversity on boards but also to raise the standards to the international level. The application of the National Code of Corporate Governance for Mauritius (2016) gives the opportunity to both the private and public sector in implementing these standards through the “apply and explain” approach. This approach does not limit the organisations to only comply but instead encourages them to always strive for the best.

The MIOD’s Organisational Support therefore provides the opportunity to showcase the success stories of organisations which have managed to change their corporate culture by implementing the best business practices.

It is to be noted, however that the MIOD does not aim at being a consultancy firm, but intends to operate as an actor for change in order to convince companies to implement better corporate governance practices.

During the financial year 2017/18 the MIOD received 8 project requests, whereby 1 has been completed, 1 has been submitted but is on-hold, 5 have been cancelled and 1 was awaiting clients’ approval.

It is to be noted that although we had a decrease for organisational support exercises we received more training in-house requests to better understand the implementation of the new Code of Corporate Governance which was applicable since July 2017.



*The National Code of Corporate Governance for Mauritius (2016) for SOEs May 2018*



### 3.5 Training

2017/18	
13 public workshops	498 Participants
1 conference	127 Participants
15 in-house workshops	850 Participants
4 Members/On invitation only	235 Participants
95% of participants were satisfied	

2016/17	
15 public workshops	546 Participants
1 conference	154 Participants
10 in-house workshops	296 Participants
For Members/On invitation only	-
100% of participants were satisfied	



*Innovation Secrets February 2018*



*Own Your Industry April 2018*



*New Code of Corporate Governance and its Implications for Company Secretaries May 2018*

One of the challenges we had to face again during this financial year is the diversity in terms of topics but as the market demand was driven in getting more insights into the implementation of the National Code of Corporate Governance (2016), the MloD has offered the opportunity to organisations in doing in-house workshops so that they could direct their concerns to the facilitator. However, we can say that we had a good response in terms of attendance compared to last financial year whereby we had 996 participants versus 1,710 participants this year which presents an increase of 72%. These figures include in-company capacity building.

As at end of financial year 2017/18, the MloD completed 13 public, 15 in-house, 1 conference as well as other sessions for our members on invitation only. These sessions amounted to a gross revenue of approximately Rs 5.5 million, out of which 69% was gross revenue perceived from public workshops. Together, the gross revenue of both public and in-house represents 35% of the total revenue of the MloD.

A consultative meeting has been organised with our Founders and Patrons in October 2017 to understand their expectations of the MloD and it was suggested that we go back to the fundamentals not only on the compliance side of corporate governance but in the possibilities of adding more soft skills and getting back on track the Directors Development Programme (DDP).

In this respect a meeting has been organised with the principal author of our Directors Development Programme to get a training of trainers (TOT) in 2018. The TOT shall be organised during the second half of 2018 with existing facilitators as well as new ones. The MloD expects the new DDP to be launched beginning of 2019.

The National Code of Corporate Governance for Mauritius (2016) being the priority again this year, Dr Chris Pierce was asked to conduct several sessions for the different sectors as well as a special session for Company Secretaries. These sessions were organised in collaboration with the National Committee on Corporate Governance (NCCG) in February 2018 and due to the demand, the MloD asked Dr Pierce to deliver a few more in May 2018. The total number of participants who attended the working sessions amounts to 778.

The MloD continues to work closely with the public sector and this year the focus was on the new Code of Corporate Governance whereby working sessions have been organised with the Ministry of Financial Services & Good Governance as well as the Ministry of Energy and Public Utilities, the Financial Services Commission and the Financial Services Institute to be aligned on the Principles of the new Code.

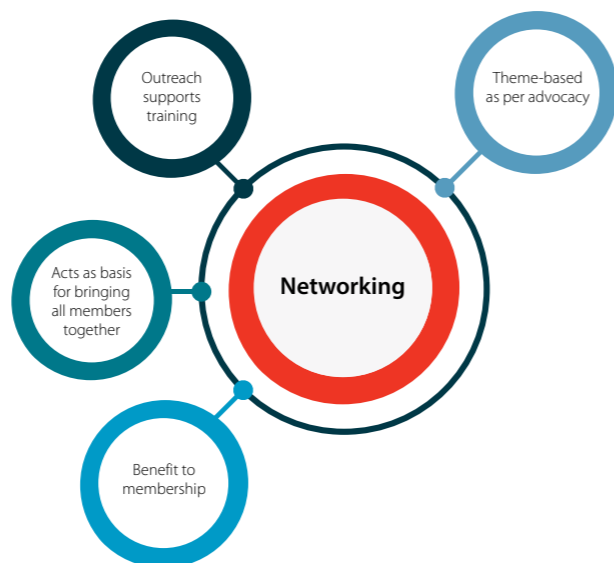
The MloD remains approved as a Training Institution by the Mauritius Qualification Authority (MQA). All of the MloD's workshops are MQA approved and qualify for HRDC refunds, as well as Continuing Professional Development (CPD) units.

### 3.6 Networking

Networking events at the beginning was principally done for members to meet up and exchange their professional experiences. It has then been reviewed for it to be geared towards the sharing of knowledge and to discuss areas of concerns with industry experts. We wanted these events to be a platform allowing principally members to learn something new and therefore meaningful to them.

For the year 2017-2018, the MloD has organised 5 Networking events and all of them were thematic and have been a resounding success.

- On 29<sup>th</sup> August 2017, the Fellows Networking: organised twice a year, provided an opportunity to discuss about the Integrity Pledge Project at La Maison Eureka at Moka.
- The Annual Members Meeting (AMM) took place at La Potinière Restaurant, Ebene on 5<sup>th</sup> December 2017. On this occasion a panel discussion around the on-going concerns on the National Code of Corporate Governance for Mauritius (2016) was done prior to the AMM which was then followed by the end of year networking event.
- The first Networking event of 2018 which theme was 'A Member bring a potential Member' was held on 20<sup>th</sup> February at the Hennessy Park Hotel at Ebene. Dr Chris Pierce was the guest speaker for this evening talking about Diversity in the Boardroom.
- The Fellows Networking event of 2018, was held at Le Suffren Hotel, Port Louis and the guest speaker was Douglas Kruger who presented on "how strategic innovators disrupt industries and stand out from the competition" an extract of his book on "They're Your Rules - Break Them!"
- On 20 June, the MloD celebrated its 10 years' anniversary at Indra Restaurant, Domaine les Pailles. The Chairman and CEO took the opportunity to reiterate our mission as well as give to the members an overview of our strategy for the upcoming financial year.



The beverages of the Networking Events are sponsored by Scott & Co Ltd and we would like to take this opportunity to thank them for their support and collaboration.

### 4. EXISTING FOUNDER SPONSORS AND PATRONS

We are pleased to report that 12 Founder Sponsors and 20 Patrons continued to support the MloD during the year. This demonstrates the commitment of Mauritius to uphold the principles of good corporate governance. We thank all of them for their continuous support which enables the MloD to keep its membership fees at such reasonable level and to offer other director services.

### 5. ANNUAL REPORT

The MloD gives its members the possibility to opt for an electronic version of the Annual Report since its introduction by the Registrar of Companies (the Registrar) on 30<sup>th</sup> May 2014. To this date, we have the consent of approximately 1214 members who have chosen this option.

### 6. OUTLOOK

We shall, for the next financial year, gather momentum on the four pillars of our strategy: Advocacy, Organisational Support, Training and Networking.

Whilst Advocacy is an already well-structured dimension, we shall ensure that MloD be the local Governance Watch in order to raise awareness about governance trends and developments, monitor how those trends influence local policies and outcomes and to address issues of transparency, ethics and accountability in Mauritius.

The terms of reference and MOUs will be reviewed to pace the changes in the socio-economic environment.

Advocacy is about listening to our stakeholders and, most importantly, to be their voice. In that context, we shall enhance our existing platforms to encourage members to actively participate in discussions over issues of importance to them. We shall equally publish position papers to express collective and agreed points of view on those issues.

The MloD will remain engaged and will reinforce its partnerships and tie-ups with its international counterparts. Furthermore, we believe it is timely to consider going into research. We are currently partnering with McKinsey for an important piece of research around the problematic of women in leadership in Mauritius entitled "Women Matter". A similar exercise has been conducted on the African continent and Mauritius will close the loop.

We will gather relevant data to have a better understanding of all aspects of board directorships in Mauritius and further address, in a targeted manner the areas requiring attention. Our training arm will maintain its focus on capacity building in the corporate governance space.

We shall keep track of the trends and ensure that, through our training proposals, we address them with pertinence. We have initiated a recruitment exercise for facilitators and the expressions of interest from would-be resource persons will help us increase our current pool of freelancers. Our membership base has increased against all odds. Apart from our usual activities organised for members such as networking and training initiatives, we need to show presence in their professional life. Our newsletter will be revamped and we shall, through innovative channels, develop interactive communication with our members.

# Corporate Governance Report

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## Contents

## 1 INTRODUCTION

The Mauritius Institute of Directors (the "MIoD", the "Company" or the "Institute"), a company incorporated in the Republic of Mauritius, is committed to the highest standards of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

Pursuant to Section 70 of the Financial Reporting Act 2004, the MIoD was set up to:

- promote the highest standards of corporate governance, and of business and ethical conduct of directors serving on the boards of companies and public interest entities;
- assess the needs of directors and organise conferences, seminars, workshops and training; and
- co-operate with the Council and the National Committee on Corporate Governance and with other institutions and organisations having objects similar to those of the Mauritius Institute of Directors in order to fulfil its objects.

Although the MIoD is not a Public Interest Entity as defined by law, in accordance with its mission statement, the Company is committed to applying the principles of good corporate governance.

The MIoD sees effective corporate governance as a performance driver and not simply as a compliance function and thus aims to be a model of good corporate governance, embedding the principles of the Code of Corporate Governance in its strategy and day-to-day operations.

This report provides additional information, guidance and explanation on what we do and why we do it. Where our practices deviate from best practices we provide additional information, with the aim of enabling our members to have a comprehensive picture.

Overall, we see the Code as instrumental to deliver to all investors and stakeholders, from Mauritius and abroad a fair picture of corporate governance practices in Mauritius that will increase not only the visibility but also the strength of the Mauritian model.

After a thorough selection exercise following applications received for the post of CEO, the Board of Directors of the MIoD has appointed Mr. Eddy Jolicoeur to assume this responsibility.

Mr. Jolicoeur has officially taken office as the new CEO of the MIoD with effect from the 1<sup>st</sup> of May 2018. He has consequently been appointed as the Executive Director of the Institute.

## 2 PRINCIPLE 1 - GOVERNANCE STRUCTURE

All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.

The Generic Guidance of the Code provides for a definition of effectiveness to the existence of structural components, such as a Board Charter, a Code of Ethics, Job Descriptions and, an organisational chart, that while necessary are not sufficient. Reason is that the importance is not so much on having documents, policies and guidelines but on ensuring that these are aligned with current practices.

The MIoD has a Board Charter that provides for the terms of reference for the Board and describes how the Board operates, as suggested in the Guidance.

Elements related to the role and responsibilities of the Board are also described in the Constitution, which is built upon the requirements of the Companies Act 2001.

### 2.1 The Board of Directors

The Institute has a Board of Directors which is responsible for reviewing the strategic objectives of the company, determining its policies and monitoring their implementation.

The roles of the Chairperson and CEO are separated.

The Chairperson is primarily responsible for the activities of the Board and its committees. He acts as the spokesperson for the Board and is the principal contact for the CEO. The full duties of the Chairperson of the MIoD are clearly defined in the organisation's Board Charter, which is available on the MIoD's website ([www.miod.mu](http://www.miod.mu)).

The CEO is responsible for the Institute's strategic development and for the day to day-to-day management of the Institute. He provides guidance, direction and leadership for the achievement of the MIoD's objectives and long-term sustainability. The CEO is also responsible for the implementation of the strategy, with the team of the MIoD, and supported by the Board. The role, duties and responsibilities of the CEO are defined in a job description that has been agreed between the CEO and the Board.

All Directors are members of the MIoD.

Since the MIoD is a not-for-profit organisation, the Non-Executive Directors work on a pro bono basis.

The MIoD's Board receives company secretarial support from Navitas Corporate Services, a private company licensed to provide corporate secretarial services.

### 2.2 The functioning of the Board

According to the Board Charter, the Board should not meet less than four (4) times a year and may meet more often, if necessary. During the financial year in review, the Board of Directors met nine (9) times.

The agenda for Board meetings is prepared by the Company Secretary under the guidance of the Chairperson, together with input from the CEO. Additionally, the Board Charter of the MIoD specifies that "save in urgent cases, as determined by the chairman, the agenda for a meeting shall be sent to all Board members at least five calendar days before the meeting." This practice has been implemented throughout the year, prior to all meetings. It is also standard practice at the MIoD to allow Board members to specify whether they want to add items to the agenda.

Minutes of all Board meetings are taken by the Company Secretary and circulated to all Directors.

### 2.3 Key Documents

The MIoD has an approved Constitution, Board Charter and organisational chart as well as a Code of Conduct that contains both elements of Ethics, namely values, and Conduct, namely behaviours.

While both Codes can be inserted in one document, it is generally accepted as current good practice that a clear distinction needs to be made on what are values of the organisation, which are aspirational and what, from these values are the behaviours that cascade and are expected from employees. It is also accepted that Codes of Ethics and Conduct need to apply to all representatives of the organisation, namely the Board and the employees. Some organisations also chose to extend their Codes to stakeholders. In the case of the MIoD, the Code states that it applies to all members.

### 2.4 Conclusion on the implementation of Principle 1

As explained, the MIoD has a Board of Directors that assumes responsibility for its role in overseeing the general business of the organisation.

The MIoD has a Constitution and the Board of Directors have approved a Board Charter that sets the tone for the running of the Institute, defines roles and responsibilities and provides a framework for the Board to meet its obligations.

Therefore, in light of the abovementioned information, the MIoD considers that it has put in the place the elements that fulfil Principle 1 of the National Code of Corporate Governance for Mauritius (2016).

## 3 PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

*The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.*

### 3.1 Board Structure

The MIoD has a unitary Board, which is the favoured structure for companies in Mauritius. The Board generally consists of Executive, Non-Executive and Independent Directors. The notion of Independent Directors is based on the criteria provided under the Generic Guidance of the Code. Under the Constitution of the MIoD, Board members may not be represented by alternate Directors of the MIoD, except for the CEO, may not exceed a mandate of five years on the Board. The tenure of the CEO is determined by his/her employment contract and the CEO is board member *ex officio*.

### 3.2 Board Size

*According to the Board Charter, "The Company shall not have less than five and not more than twelve directors, who save for the Chief Executive, shall be elected annually at the annual meeting of the Company by ordinary resolution."*

As at 30<sup>th</sup> June 2018, the Board of the MIoD was composed of eleven (11) Directors, including the CEO and the MIoD's operations were handled by the CEO and an operational staff. The geographical coverage is predominantly over Mauritius. While the MIoD is part of the African Corporate Governance Network and the Global Network of Director Institutes, these international links do not encompass, for now, extraterritorial operational activities.

The activities of the MIoD range from Advocacy, Organisational Support, Training and Networking.

The Board has currently four (4) committees, namely (i) Audit and Risk Committee, (ii) Education Committee, (iii) Corporate Governance Committee and (iv) Membership and Nominations Committee.

Based on the above, both the range of Board members that the Institute needs to have as per the Board Charter and the current number of Directors are considered as sufficient to enable the MIoD's Board to meet the requirements of the Institute.

It is noted that one Director has submitted her resignation during the year under review and at the upcoming Annual Meeting of Members ("AMM"), one (1) member will reach his term of tenure and will not present himself for re-election, thus bringing the Board to ten (10) members.

As such, a selection process for new members is in progress.

The Board Charter of the MloD specifies that *“The Board, in consultation with the Membership and Nominations Committee, shall prepare a profile of its size and composition, considering the nature of the company’s business, and the desired expertise and background of the Board members (the “Board Profile”).* This process is carried out whenever new Board members are considered for appointment, in order to ensure that suitable candidates are found.

### 3.3 Board Composition

The Board is headed by a Chairperson who is also an Independent Non-Executive Director.

The Board of the MloD has only one executive Director, who is the CEO of the Institute. While guidance to the Code recommends that a Board should have two (2) Executive Directors, the Institute considers that given the small size of the organisation, one (1) Executive Director is sufficient for the proper functioning of the Board.

At the level of independence, the Institute fully meets the recommendation of the Code’s guidance to have at least two (2) Independent Directors.

The full list of current Board members is as follows:

Neemalen GOPAL	Chairperson and Independent Non-Executive Director
Guillaume HUGNIN	Vice-Chairperson and Independent Non-Executive Director
Eddy JOLICOEUR <sup>1</sup>	Chief Executive Officer and Executive Director
Sanjiv BHASIN	Independent Non-Executive Director
Philippe Olivier DECOTTER	Independent Non-Executive Director
Gyaneshwarnath (Gary) GOWREA	Independent Non-Executive Director
Linda MAMET	Independent Non-Executive Director
Roshan RAMOLY	Non-Executive Director
Christine SAUZIER	Independent Non-Executive Director
Jozef TOURNEL	Independent Non-Executive Director
Nathalie VENIS	Independent Non-Executive Director
Aisha ALLEE-MOSAHEB <sup>2</sup>	Independent Non-Executive Director
Patricia DAY-HOOKOOMSING <sup>3</sup>	Non-Executive Director
Heba CAPDEVILA-JANGEERKHAN <sup>4</sup>	Independent Non-Executive Director
Sidharth SHARMA <sup>5</sup>	Independent Non-Executive Director
Paul HALPIN <sup>6</sup>	Independent Non-Executive Director
Juan Carlos FERNANDEZ ZARA <sup>7</sup>	Executive Director

<sup>1</sup> Appointed as Director on 2<sup>nd</sup> May 2018

<sup>2</sup> Resigned as Director on 24<sup>th</sup> May 2018

<sup>3</sup> Resigned as Director on 05<sup>th</sup> December 2017

<sup>4</sup> Resigned as Director on 05<sup>th</sup> December 2017

<sup>5</sup> Resigned as Director on 05<sup>th</sup> December 2017

<sup>6</sup> Resigned as Director on 22<sup>nd</sup> November 2017

<sup>7</sup> Resigned as Director on 22<sup>nd</sup> September 2017

### 3.4 Directorships held by Board members of the MloD

The Generic Guidance for Principle 2 recommends, for every director, *the details of each chair and external and internal directorship that he or she holds in other organisations. The details should include the name of the organisation and type of directorship held.*

However, the Code does not provide for a maximum number of directorships that should be held by an individual Board member.

In line with Principle’s 4 requirements, we provide the following table, outlining the details of principal directorships in listed companies held by Board members of the MloD as at 30<sup>th</sup> June 2018. While there may be no specified requirement for the disclosure of non-listed companies, the MloD has tried, as far as possible, to provide full disclosure of directorships of its Board members. Those who are not listed do not hold directorships.

Guillaume HUGNIN	
Phoenix Beverages Co Ltd	Non-Executive Director

Gyaneshwarnath (Gary) GOWREA	
MakeMyTrip Limited listed on NASDAQ Stock Exchange	
CoreShares S&P 500 Exchange Traded Fund listed on the Stock Exchange of Mauritius and Johannesburg Stock Exchange	
CoreShares S&P Global Property Exchange Traded Fund listed on the Stock Exchange of Mauritius and Johannesburg Stock Exchange	
Greenko Investment Company listed on Singapore Stock exchange	

Christine SAUZIER	
The Medical and Surgical Centre Ltd	Non-Executive Director
IPro Growth Fund Ltd	Non-Executive Director
IPro Funds Ltd (IPro African Market Leaders Fund - Class (I2) Institutional Class)	Non-Executive Director

### 3.5 Company Secretary

The MloD has a service agreement with Navitas Corporate Services Ltd since 1<sup>st</sup> December 2014 for the provision of company secretarial services.

According to the Board Charter, the role of the Company Secretary is to ensure that *“the Board follows correct procedures and that the Board complies with its obligations under law and the Company’s constitution. The Company Secretary shall assist the Chairman of the Board in organising the Board’s activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs). The Company Secretary is the secretary of the Board.”*

Navitas Corporate Services Ltd has appointed a specified member of its team to handle the matters of the MloD. The representative from Navitas administers and attends Board and Committee meetings, as well as the AMM, and prepares minutes of Board meetings, Committee meetings and Members’ meetings. All Directors of the MloD have access to the advice and services of the Company Secretary.

The Company Secretary is the primary channel of communication between the MloD and the Registrar of Companies.

### 3.6 Board Diversity

The importance of board diversity stems from the fact that if embraced by boards, diversity will provide better decisions that will positively impact the operations of the institution or company.

This has been demonstrated by several academic studies carried worldwide. Diversity at the Board level also needs to reflect the operations but also the stakeholder base of a company or institution, so that it can be representative of and cater for their needs. As such, diversity at the Board level is not an artificial construct but rather an honest embracement of diversity for the benefits it can bring to a company and or institution.

The MloD practises no discrimination. Given the diversity of business people in Mauritius, we define diversity in its largest extent and include diverse professional backgrounds with a broad mix of skills and competencies and we also embrace diversity as embodying ethnicity, gender and cultural backgrounds.

At the Board level, diversity is seen as an attribute that adds value and complements what we do. The challenge in diversity is for the Board to ensure that proper dialogue and divergence of views are taken into account. Last but not least, diversity cannot be used as a substitute to preparation and active contribution to the activities of the Board and of the Institute overall.

The Board of the MloD is therefore composed of Directors that represent diversity in all its extended forms. This is something the MloD is proud of and will promote.

Furthermore, the MloD is an equal opportunity employer, and the same principle applies to the appointment of its Directors. The Board members of the MloD have diverse backgrounds, and as at 30<sup>th</sup> June 2018 the Board was composed of 3 women and 8 men. The Institute’s concern for gender diversity on its Board fits in with its broader commitment to promote more women on Boards, namely through its Women Directors’ Forum (See page 35 to 37 for more details).



All members of the Board of the MloD are ordinarily resident in Mauritius.

### 3.7 Board Committees

Board Committees are an extension of the Board. While they allow for the Board, through a small group, to handle matters more deeply than through ordinary board sessions, the ultimate decision power rests with the whole Board.

Usually, based on good corporate governance practices, a Board should decide to set up committees if the matter to be handled requires special attention from the Board. As such, and at best, committees have to be seen as dynamic in the sense that, depending on the needs faced from time to time, the Board should be able to create new committees as well as dismantle existing committees.

Determining the number of committees depends as well on the number of members sitting on a Board. Because each committee requires at least three (3) Board members, a company needs to avoid having too many committees that would require individual board members to sit on too many committees. Reason is that should this be the case, the existence of committees would affect the performance of the Board since committees as such cannot make decisions on their own. Deciding how many committees need to be established is then a question of judgement that the Board needs to decide. There are of course exceptions where the law may require certain committees to be set up.

The Code, in its Generic Guidance provides as a minimum, for the establishment of an audit committee.

In the case of the MloD, as per the Board Charter, the following Committees have been established:

- (i) Audit and Risk Committee
- (ii) Education Committee
- (iii) Corporate Governance Committee
- (iv) Membership and Nominations Committee

The Terms of Reference of all Committees are available on the MloD's website ([www.miod.mu](http://www.miod.mu)) for further reference.

#### 3.7.1 Audit and Risk Committee ("ARC")

According to the Terms of Reference ("ToR") for the ARC, its role is to assist the Board of Directors in fulfilling its oversight responsibilities for:

- a) the integrity of the company's financial statements
- b) the company's compliance with legal and regulatory requirements
- c) the independent auditor's qualifications and independence
- d) the performance of the company's internal audit function, if any, and independent auditors
- e) the quality and integrity of the company's risk management

As at 30<sup>th</sup> June 2018, the ARC was made up of four (4) Independent Non-Executive members of the Board, namely Gary Gowrea, who was also the Chairperson of the ARC, Sanjiv Bhasin, Olivier Decotter and Guillaume Hugnin. The Company Secretary acts as the secretary of the Committee.

The CEO is not a member of the ARC, although he attends the meetings to provide his input as Executive Director.

The ARC may also be attended by the MloD's accountant, when necessary.

#### 3.7.2 Corporate Governance Committee ("CGC")

The ToR of the CGC specify that the committee's role is to "make recommendations to the Board on all corporate governance provisions to be adopted so as to enhance compliance with prevailing governance principles and practices and ensure that the disclosure requirements of the MloD with regard to corporate governance are in accordance with the principles of the applicable Code of Corporate Governance."

As at 30<sup>th</sup> June 2018, the CGC was made up of a total of five (5) members. Four (4) were Independent Non-Executive Directors namely Guillaume Hugnin, (also the Chairperson of the CGC), Christine Sauzier, Nathalie Venis, Sanjiv Bhasin and Eddy Jolicoeur (CEO and Executive Director). The Company Secretary acted as secretary to the Committee.

#### 3.7.3 Education Committee ("EC")

According to its ToR, the EC oversees all matters concerning the training and education activities of the MloD.

As at 30<sup>th</sup> June 2018, the EC was composed of six (6) members, five (5) of which were Independent Directors, namely Nathalie Venis (also the Chairperson of the EC), Olivier Decotter, Jozef Tournel, Linda Mamet and Neemalen Gopal along with the CEO, Eddy Jolicoeur. The Company Secretary acted the secretary for the Committee.

#### 3.7.4 Membership and Nominations Committee ("MNC")

According to its ToR, the MNC shall assist the Board in fulfilling its oversight responsibilities for:

- a) the approval and management of membership in line with the constitution of the MloD
- b) all new Board appointments
- c) reviewing the balance and effectiveness of the Board
- d) the appointment of the Chief Executive Officer (CEO)
- e) review of Directors and staff performance and remuneration.

As at 30<sup>th</sup> June 2018, the MNC was composed of five (5) members of which four (4) were Independent Directors, namely Jozef Tournel (also the Chairperson of MNC), Guillaume Hugnin, Roshan Ramoly and Christine Sauzier as well as the CEO, Eddy Jolicoeur. The Company Secretary acted as secretary of the committee.

### 3.8 Attendance of Directors at Board meetings and Board Committee meetings

The following table provides full details of the attendance of the MloD's Directors to Board meetings and committee meetings for the year in review. While some of the Directors on this list are no longer on the Board of the MloD, details of their attendance have been included for the financial year under review.

ATTENDANCE AT MEETINGS	BOARD	ARC	EC	CGC	MNC
Number of meetings held during FY 2017/18	9	5	2	2	4W
Neemalen GOPAL	7/9	-	1/2	0/1	-
Guillaume HUGNIN	4/5	3/3	-	1/1	3/4
Eddy JOLICOEUR <sup>1</sup>	1/1	-	-	-	1/2
Sanjiv BHASIN	2/5	2/3	-	1/1	-
Philippe Olivier DECOTTER	8/9	3/3	1/2	1/1	-
Gyaneshwarnath (Gary) GOWREA	5/5	3/3	-	-	-
Linda MAMET	4/5	-	1/2	-	-
Roshan RAMOLY	5/5	-	-	-	3/4
Christine SAUZIER	3/5	-	-	0/1	3/4
Jozef TOURNEL	4/5	-	2/2	-	4/4
Nathalie VENIS	4/5	-	2/2	0/1	-
Aisha ALLEE-MOSAHEB <sup>2</sup>	6/9	-	-	0/1	-
Patricia DAY-HOOKOOMSING <sup>3</sup>	3/4	2/2	-	-	-
Heba CAPDEVILA-JANGEERKHAN <sup>4</sup>	4/4	-	-	-	-
Sidharth SHARMA <sup>5</sup>	4/4	-	-	-	-
Paul HALPIN <sup>6</sup>	3/4	2/2	-	-	-
Juan Carlos FERNANDEZ ZARA <sup>7</sup>	-	-	-	0/1	-
Isabelle FRANCOIS-GOPAL <sup>8</sup>	-	-	2/2	1/1	2/2

<sup>1</sup>Appointed as Director on 2<sup>nd</sup> May 2018

<sup>2</sup>Resigned as Director on 24<sup>th</sup> May 2018

<sup>3</sup>Resigned as Director on 05<sup>th</sup> December 2017

<sup>4</sup>Resigned as Director on 05<sup>th</sup> December 2017

<sup>5</sup>Resigned as Director on 05<sup>th</sup> December 2017

<sup>6</sup>Resigned as Director on 22<sup>nd</sup> November 2017

<sup>7</sup>Resigned as Director on 22<sup>nd</sup> September 2017

<sup>8</sup>Acting Manager as from the 1<sup>st</sup> December 2017 to the 30<sup>th</sup> April 2018

### 3.9 Conclusion on the Implementation of Principle 2

The MloD has an appropriate mix of Executive, Non-Executive and Independent Non-Executive Directors, each with different areas of expertise that contribute to the overall diversity of the Board. The Board also has a reasonable number of committees that support the Board in dealing with specific matters. Taking these different elements into consideration, the MloD considers that it meets the requirements to fulfil Principle 2 of the National Code of Corporate Governance for Mauritius (2016).

## 4 PRINCIPLE 3 - DIRECTOR APPOINTMENT PROCEDURES

*There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.*

### 4.1 Election and Re-election of Directors

The current process for the election and re-election of Board members is covered under paragraph 30 of the Constitution as well as in the Board Charter and the rules and regulations established by the Board.

The process is formal, transparent and rigorous.

With the exception of the CEO, the Board of the MloD is composed of members of the Institute. The search for Board candidates is carried out through a process that has been put in place to allow members of the MloD to signify their interest in being considered as potential directors for the Institute. According to the Constitution of the MloD, Directors that are elected to the Board, are eligible for a maximum term of five (5) years.

The MloD has a Nominations Procedures document that outlines the full process for the election and re-election of Directors, and which is available on the MloD's website ([www.miod.mu](http://www.miod.mu)). Existing Directors who are still eligible for re-election are asked to declare their willingness to stand for a further term prior to the holding of the AMM. After the existing Directors have confirmed their willingness to stand for re-election and taking into consideration that some Directors may be stepping down, the MNC reviews the specific expertise, skills and competencies required by the MloD for the proper functioning of the Board.

With regards to the election of new Directors, all members of the MloD are notified by email and via the MloD's website of the forthcoming elections and of their right to stand for election as a Director. Members of the MloD are invited to submit nominations for appointment to the Board using a Nomination Form, which is also sent by email and made available on the Institute's website.

Nomination Forms are sent to the Company Secretary who compiles the list of nominees and presents it to the MNC, which then makes its recommendations. Nominees are chosen by the Board based on their good standing as a member of the MloD, their board experience, their knowledge of corporate governance, their independence and their specific skills, competencies and experience.

New candidates to the Board must be elected by a vote by the members of the Institute during the AMM. Existing Directors who stand for re-election must also be re-elected by vote during the AMM. A notice for the AMM is issued several weeks prior to the meeting with details of the nominated candidates for election, including a short profile, so that members can make an informed decision.

### 4.2 Election of Directors for the financial year under review

The MNC recommended that the following Directors be considered for re-election at the AMM on 5<sup>th</sup> December 2017:

- Aisha ALLEE-MOSAHEB
- Philippe Olivier DECOTTER
- Neemalen GOPAL

With regards to vacancies on the Board, the MNC recommended that the MloD should consider candidates with a combination of the following experience, skills and capabilities:

1. Prior Board Directorship:
  - a. Two (2) vacancies: between 3-5 years' experience as board director
  - b. Three (3) vacancies: between 5-10+ years' experience as a board director

AND:

2. Sound and proven professional track record in a management position in any one of the following fields:
  - a. Human Resources/Organisation Development
  - b. Information Systems and Technology
  - c. Banking, Financial Services, and/or related industries
  - d. Education, Learning and Development/Training and/or Academia
  - e. Practising Legal Professional and/or Governance Practitioner

AND:

3. At least two (2) of the following skills and/or proven experience:
  - a. Change management
  - b. Diversity management
  - c. Ethics management
  - d. Risk management
  - e. Marketing management
  - f. Commercial acumen

- g. International business exposure
- h. Governance practice
- i. Research and Academia
- j. Advocacy experience

A Notice inviting Members to apply for consideration as Director of the Company was issued on 23<sup>rd</sup> June 2017. In line with the MloD's Nomination Procedures, at the AMM on 5<sup>th</sup> December 2017, eight (8) new Independent Directors were elected, namely Sanjiv Bhasin, Gyaneshwarnath (Gary) Gowrea, Guillaume Hugnin, Linda Mamet, Roshan Ramoly, Christine Sauzier, Jozef Tournel and Nathalie Venis, filling the Board seats vacated by Heba Capdevila-Jangeerkhan, Patricia Day-Hookoomsing, Dr. Sidharth Sharma and Paul Halpin.

Neemalen Gopal was appointed as Chairperson of the Board by his fellow Directors at the first Board meeting immediately following the AMM.

Short biographies for each of the current Directors of the MloD are available on pages 18 to 23 of this Annual Report.

### 4.3 Induction and Orientation

The MloD has an induction programme for new Directors to make sure that they understand the vision, mission and values of the Institute as well as its operations. According to the Board Charter "upon his or her election, each Board member shall participate in an induction programme that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member."

It is part of the Chairperson's responsibilities to ensure that Board members participate in an induction programme, and as needed, any additional education or training programmes.

Board members of the MloD are systematically invited to attend trainings free of charge as per the rules of the MloD.

### 4.4 Succession of all key officeholders

Succession planning is an important element to ensure business continuity and therefore reduce the risk of operational disruptions due to the sudden departure of key officeholders. Succession planning should include members of the board and at the level of operations. This is a task that the Board should cater for with proper identification of key positions, development of contingency plans, identification of successors as well as processes to ensure continuity.

Following the termination of the employment of the ex-CEO on 22<sup>nd</sup> September 2017, the Board has taken the necessary measures to immediately appoint an interim CEO and with the assistance of a Recruitment Agency, it has proceeded with the employment of a permanent CEO with credentials required for the proper running of the Institute.

### 4.5 Conclusion on the Implementation of Principle 3

The MloD has put in place a clear process for the election and re-election of its Board Directors. Since the Institute has members but no shareholders, existing Directors and new Directors are both appointed through a vote by members at the AMM.

The Board has carried out an induction and orientation programme for its Directors. In this respect, the MloD considers that it fulfils Principle 3 of the National Code of Corporate Governance for Mauritius (2016).

## 5 PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

*Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security.*

*The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders.*

*The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.*

### 5.1 Legal Duties

The Directors of the MloD are aware of their legal duties as listed in the Companies Act (2001). The Board Charter of the MloD specifies that Board members of the MloD "shall act in the best interests of the company and its business, taking into consideration the interests of the MloD members and all the company's other stakeholders." Full details of the duties of the MloD's Directors, as pertaining to the specificities of the Institute are listed in section C of the Board Charter, entitled Duties and Powers.

### 5.2 Conflicts of Interest

The MloD's Policy on Conflicts of Interest defines conflicts of interest as "any situation in which an individual or company is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit."

It is important for Directors of the MloD to avoid conflicts of interest. However, should any conflicts of interests arise, it is crucial for Directors to disclose them. Conflict of interests must be disclosed at the beginning of each Board meeting and committee meeting. This item is included in the agenda of every Board meeting.

The Board Charter has clear provisions with regards to Directors' duties in this respect.

According to the Board Charter, “a Board member shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, as per the MloD’s Policy on Related Party Transactions, Conflict of Interests and Procurement Policy. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.”

In case there is a conflict of interest, the Board member concerned cannot take part in any discussion or decision-making process related to the subject or transaction in which he or she has a conflict of interest.

Since related party transactions constitute a conflict of interest, the MloD has an approved Policy on Related Party Transactions. The purpose of this policy is to set out the procedures which the MloD and any of its Directors or officers should follow when entering into a related party transaction. Any related party transactions that may arise have therefore been conducted in accordance with the said policy.

With regards to any positions taken up by Board members outside the MloD, it is specified in the Board Charter that “Board members must inform the Chairperson of the Board and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board.”

The Company Secretary keeps a Register of Interest of the outside positions held by each Board member.

### 5.3 Information, Information Technology and Information Security Governance

The Board is responsible for the IT Governance of the MloD and delegates this work to the ARC. IT Governance was reviewed in 2015 and the next review will be carried out in 2018 as part of the overall IT Security Audit. The Board, via the ARC, also monitors and evaluates significant expenditures on information technology.

The MloD has a Policy on IT Governance. The policy covers the MloD’s management information systems, its IT security, confidentiality and privacy, including how employees create, access, store, and dispose of information whether of a personal or business nature. It covers all the information assets held by the organisation, including emails and social media.

The MloD is committed to apply and enforce Data Privacy Laws in its organisation.

### 5.4 Board Information

According to the Board Charter of the MloD, it is the Chairperson’s responsibility, with the assistance of the Company Secretary, to ensure that Board members receive all information necessary for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

Individual Board members also have the responsibility for obtaining all information from management and external auditors to carry out their duties. The Board may also seek, where necessary, to obtain information from officers and external advisors of the Institute.

The Board is subject to strict confidentiality rules with regards to information that they obtain as Directors of the MloD. The Board Charter specifies that unless they are required to do so by law, Board members may not disclose any confidential information during or even after their time on the Board of the MloD.

### 5.5 Board Evaluation and Development

According to the Board Charter of the MloD, it is the Chairperson’s responsibility to ensure that the performance of the Board and its members are evaluated every year. However, as 8 out of 11 Board Members were elected during the year under review, no Board Evaluation was carried out.

### 5.6 Board Remuneration

Since the MloD is a not-for-profit organisation, Non-Executive Directors are not remunerated.

### 5.7 Conclusion on the Implementation of Principle 4

As explained, the Directors of the MloD are made aware of their legal duties. As part of the Board’s duties, there are strict rules with regards to confidentiality of any information acquired by Board members in the performance of their duties.

The Institute also has policies for the management of Conflicts of Interest and Related Party Transactions. The Board assumes responsibility for IT governance, and has policies in place for same. The matter of Board remuneration does not apply to the MloD, as the Non-Executive Directors work on a pro bono basis. In light of the abovementioned information, the MloD considers that it meets the requirements of Principle 4 of the National Code of Corporate Governance for Mauritius (2016).

## 6 PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

*The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.*

### 6.1 Risk Governance

As per the Board Charter of the MloD, the Board is responsible for supervising the management in the areas of risk as well as the structure and operation of the internal risk management, and audit and control systems. Furthermore, the Board, at least once a year, shall discuss the Company’s business risks, the management’s assessment of the internal risk management and control systems, and any significant changes to such systems.

The ToR for the ARC mentions that it shall assist the Board in fulfilling its oversight responsibilities for, amongst others the quality and integrity of the Company’s risk management.

The Board acknowledges the importance of an effective risk management system in ensuring the sustainability of the Institute. The risk governance is exercised by the Board, which through the ARC, is responsible for the governance of risk and for determining its risk appetite in achieving its strategic objectives. It is the responsibility of the management of the MloD to manage and control the potential risks faced by the Institute.

The ARC is also responsible for ensuring that internal controls are in place and for the regular review of the company’s management accounts and policies.

In establishing a risk management system, the nature of the activities of the MloD as well as its size have been taken into account. The activities of MloD are not complex enough for the Institute to strictly adhere to the requirements set out by internationally recognised bodies such as COSO or the Institute of Risk Management. The MloD has adopted a simplified risk management process and applies it to all aspects of the activities of the Institute. Risk analysis is not only conducted when assessing the feasibility of training programmes but also when analysing the sustainability of any of the MloD’s projects.

The ARC is responsible for determining the necessary actions to be taken with regards to the identified risks and must make recommendations to the Board.

The risks identified must be reviewed by the Board on a yearly basis.

The ARC has identified two (2) key risks for the MloD namely the “Reputational Risk” and the “Risk related to Financial Sustainability”. The Institute is confident in its approach of risk, as it is being handled in a comprehensive and holistic manner.

### 6.2 Internal Control System

An internal control system exists through an Accounting Policy and IT Policies.

The Accounting Policy sets out the policies and procedures to be used in accounting for the MloD’s financial transactions and reporting.

The IT Policies cover the MloD’s management of information systems, its IT security and confidentiality and privacy of data.

Internal controls are reviewed by the Internal Auditor, whose function is outsourced, as explained below under Principle 7.

### 6.3 Conclusion on the implementation of Principle 5

The Board of Directors of the MloD is responsible for the governance of risk within the organisation.

Considering the small size of the MloD and the risk arising thereof, the Board of Directors and management are satisfied that the system of risk management that was in place during this financial year fulfilled the conditions set out in Principle 5 of the National Code of Corporate Governance for Mauritius (2016).

## 7 PRINCIPLE 6 - REPORTING WITH INTEGRITY

*The Board should present a fair, balanced and understandable assessment of the organisation’s financial, environmental, social and governance position, performance and outlook in its annual report and on its website.*

### 7.1 The MloD’s Approach to Reporting

The MloD uses diverse mechanisms when reporting on its activities such as its annual report, AMM, networking events, website, emails, targeted reports, press articles and social media. Those mechanisms are in line with the strategy of the MloD. It is therefore important that not only stakeholders be kept informed of the activities of the Institute but also the public in general.

The approach of the MloD towards reporting is one of transparency, consistency, relevance as key driving attributes. Our goal is to provide a fair and honest communication that is relevant and material to our members and stakeholders.

As Ambassadors of corporate governance, it is our duty to abide to the highest standards and recognise when we fail to do so, as well as explain how we are remedying to these failings.

Members of the MloD have access to the operational team, including the CEO to ask questions and / or provide comments. Members have the option to choose between receiving the Annual Report in soft or hard copies. For this financial year, we are proud to say that 1218 members, 1214 members have opted to receive the Annual Report in soft copy. The Annual Report is available and can be downloaded from the website of the MloD.

### 7.2 Financial Statements

According to the Board Charter of the MloD, “The Board, in consultation with the Audit Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts and any other financial information. The Board, through the Audit Committee, also supervises the internal control and audit mechanisms for external financial reporting.” The financial statements are on the agenda of the Board of Directors and have been reviewed at each Board meeting.

The financial statements are prepared according to the IFRS, IAS and adhere to the Companies Act 2001. The Board is satisfied that the financial statements fairly present the state of the affairs of the MloD. The financial statements are audited by an external auditor and forms part of the Annual Report.

### 7.3 Environmental, Social and Health and Safety

The MloD believes in the obligation of companies that have an impact on Environmental, Social and Health matter to report comprehensively on these issues. This is why The MloD became a member of the Global Reporting Initiative (GRI) in 2013 and published Integrated Annual Reports for the years 2013, 2014, 2015 and 2016. The goal was for the MloD to lead the way in Mauritius as a role model and to generate support from companies that we believed have stronger incentives to report using GRI. After four (4) years, and after assessing the environment in this field, the MloD concluded that enough traction existed and that there were better actors suited to lead this process. This is why, as of this reporting year, the MloD has decided to withdraw its membership from GRI.

### 7.4 Political contributions

The MloD does not engage in political matters. The MloD works with all stakeholders that can help advance the vision and mission of the MloD irrespective of political parties and / or affiliations. Moreover, the MloD encourages its Members as per the National Code of Corporate Governance for Mauritius (2016) to disclose any contributions made to political parties. Additionally, the MloD does not make any contribution to political parties.

### 7.5 Corporate Social Responsibility (CSR)

The MloD being a not-for-profit organisation, is not accountable for CSR contributions. The MloD does, however, implement a CSR programme by conducting pro bono director searches and by providing "at cost" training on corporate governance and ethics management for non-governmental organisations (NGO).

### 7.6 Related Party Transactions

The MloD has a Related Party Transactions policy to manage any such situations that may arise (refer to Section 5.2 pages 51 and 52 for more information on the policy).

### 7.7 Conclusion on the implementation of Principle 6

The MloD considers Principle 6 as a pinnacle of good corporate governance and we strive to provide a fair, balanced and understandable assessment of the MloD.

In light of the abovementioned information, the MloD considers that it meets the requirements of Principle 6 of the National Code of Corporate Governance for Mauritius (2016).

## 8 PRINCIPLE 7 - AUDIT

*Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors.*

### 8.1 Role of the ARC

Refer to Section 3.7.1, page 48 for more details.

### 8.2 Internal Audit Function

The operations of the MloD are not complex and diversified enough to justify the existence of a full time internal audit function. This service has therefore been externalised following a tender procedure in 2015 and is provided by Lancasters Chartered Accountants ("Lancasters") for a period of three years. During this financial year, Lancasters has reviewed and appraised the adequacy, reliability and effectiveness of the system of internal controls within the processes and systems established by the MloD with respect to written procedures, revenue streams and expenditure related to events including workshops. Lancasters has reported that the internal controls currently in place within the MloD are satisfactory.

The matters relating to internal audit are discussed at the level of the ARC. The Board, through the ARC, is updated accordingly. At management level, the CEO of the MloD ensures that recommendations arising from the report of the internal auditors, as well as recommendations from ARC are implemented.

The members of the ARC and management of the MloD have access to the internal auditors and meetings are arranged when clarifications are needed.

### 8.3 External Audit

The Board Charter of the MloD states that in order to maintain the external auditor and the Company independence, the number of years a person may be part of the audit team of the external auditor, is capped. Partners of the audit team of the Company who are charged with essential audit tasks must be replaced at most every five (5) year(s) after the start of their involvement and the audit firm must rotate every seven (7) years.

The audit firm Moore Stephens was re-appointed as external auditors for the year 2017/18. This is their 6<sup>th</sup> year as the MloD's external auditors and no non-audit services were rendered by the external auditor. The partner in charge of the audit of the MloD has been replaced for the year under review.

The ARC members have access to the external auditors and the latter attend the meeting of the Board when the financial accounts of the Institute are discussed for approval. During this meeting, members of the ARC can ask questions relating to the financial performance of the MloD directly to the auditors who are given the opportunity to respond.

### 8.4 Conclusion on the implementation of Principle 7

The MloD has appointed an outsourced internal auditor following a tender procedure. A system of rotation of the external auditors has been adopted and implemented. The Board and management of the MloD interact with the internal and external auditors when required.

In light of the abovementioned information, the MloD considers that it meets the requirements of Principle 7 of the National Code of Corporate Governance for Mauritius (2016).

## 9 PRINCIPLE 8 : RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

### 9.1 Dialogues with stakeholders

The strategy adopted by the Board of the MloD embodies the importance of establishing regular dialogues with stakeholders. The Institute interacts regularly with its members through its four (4) focus areas, namely Advocacy, Organisational Support, Training and Networking.

The Institute has an approach whereby it systematically identifies the most relevant stakeholders when organising events. For this purpose, a stakeholder's analysis is done at macro and micro level. The stakeholder engagement model is spelt out at pages 26 to 29 of this report.

### 9.2 Conclusion on the implementation of Principle 8

The MloD functions on a principle of inclusiveness. The various activities delivered through the four (4) main focus areas allows the Institute to interact with a range of stakeholders on different topics. In light of the abovementioned information, the MloD considers that it meets the requirements of Principle 8 of the National Code of Corporate Governance for Mauritius (2016).



NEEMALEN GOPAL  
Chairman of the Board of Directors



EDDY JOLICOEUR  
Executive Director and CEO

Date: 16<sup>th</sup> August 2018

# Directors' Statement of Responsibilities

The Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the year then ended which comply with International Financial Reporting Standards (IFRS) and the Companies Act 2001; and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- International Financial Reporting Standards and the Companies Act 2001 have been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified; and
- the Code of Corporate Governance has been adhered to.

Approved by the Board of Directors on 16<sup>th</sup> August 2018 and signed on its behalf by:



.....  
**NEEMALEN GOPAL**  
*Chairman of the Board of Directors*



.....  
**EDDY JOLICOEUR**  
*Executive Director and CEO*

Date: 16<sup>th</sup> August 2018

# Secretary's Certificate

We, confirm that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial period ended 30 June 2018, all such returns as are required of the Company under the Companies Act 2001.



.....  
**NAVITAS CORPORATE SERVICES LTD**  
*Company Secretary*

Date: 16<sup>th</sup> August 2018

# Independent Auditors' Report to the Members of Mauritius Institute of Directors

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Mauritius Institute of Directors (the "Company"), which comprise the statement of financial position as at 30<sup>th</sup> June 2018 and the statement of income and expenditure, statement of changes in members' funds and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 76.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 30<sup>th</sup> June 2018 and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Matter

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

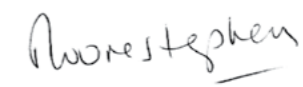
## Report on Other Legal and Regulatory Requirements

### Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



MOORE STEPHENS  
Chartered Accountants



ARVIN ROGBEER, FCA  
Licensed by FRC

Date: 16<sup>th</sup> August 2018

## MAURITIUS INSTITUTE OF DIRECTORS

### STATEMENT OF FINANCIAL POSITION

AS AT 30<sup>TH</sup> JUNE 2018

ASSETS	Notes	2018	2017
		MUR	MUR
<b>Non-current assets</b>			
Plant and equipment	5(a)	106,000	279,608
Intangible asset	5(b)	230,000	-
		<b>336,000</b>	279,608
<b>Current assets</b>			
Trade and other receivables	6	2,770,987	4,052,792
Cash and cash equivalents	7	7,443,999	10,385,599
		<b>10,214,986</b>	14,438,391
<b>TOTAL ASSETS</b>		<b>10,550,986</b>	14,717,999
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
Members' funds	8	7,030,515	7,655,181
<b>Non current liabilities</b>			
Retirement benefit obligations	15	276,641	143,000
<b>Current liabilities</b>			
Trade and other payables	9	899,837	2,582,392
Deferred revenue	10	2,343,993	4,337,426
		<b>10,550,986</b>	14,717,999

Approved by the Board of Directors and authorised for issue on 16<sup>th</sup> August 2018.



**NEEMALEN GOPAL**  
Chairman of the Board of Directors



**EDDY JOLICOEUR**  
Executive Director and CEO

Date: 16<sup>th</sup> August 2018

The notes on pages 64 to 76 form an integral part of these financial statements.

## MAURITIUS INSTITUTE OF DIRECTORS

### STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

	Note	2018	2017
		MUR	MUR
<b>INCOME:</b>			
Corporate patrons contribution and donations		4,408,000	4,616,666
Members' subscriptions		4,231,275	4,145,778
Revenue from workshops and other revenue		6,368,652	7,638,544
Interest received		436,035	496,434
<b>Total income</b>	<b>3 (c)</b>	<b>15,443,962</b>	16,897,422
<b>EXPENDITURE:</b>			
AMM expenses		351,227	346,050
Audit fees		74,750	65,000
Bank charges		73,252	71,825
Computer maintenance		406,198	667,057
Depreciation		198,629	301,511
Electricity		68,047	61,719
Entertainment		-	172,709
Subscription		41,213	86,918
General expenses		7,576	42,808
Gifts and donations		-	17,219
Insurance		109,417	101,375
Library and publications		6,633	10,825
Licences and taxes		15,030	50,569
Membership expenses		320,815	301,325
Professional fees		1,570,323	883,195
Postage		11,132	8,428
Provision for impairment of trade receivables		-	500,000
Bad debts written off		309,932	32,240
Public relation expenses		121,175	96,000
Rent and property expenses		637,685	585,011
Repairs and cleaning		35,205	11,422
Legal expenses		247,250	24,150
Salaries and personnel costs		7,045,344	8,946,964
Private sector anti-corruption task force		-	221,001
Secretarial services and board costs		431,118	426,492
Seminar expenses		3,736,792	3,670,965
Stationery and printing		33,742	60,557
Telephone		216,143	198,589
<b>Total expenditure</b>		<b>16,068,628</b>	17,961,924
<b>LOSS OF INCOME OVER EXPENDITURE</b>		<b>(626,666)</b>	(1,064,502)

The notes on pages 64 to 76 form an integral part of these financial statements.

**MAURITIUS INSTITUTE OF DIRECTORS**  
STATEMENT OF CHANGES IN MEMBERS' FUNDS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

	Members' funds	Total
	MUR	MUR
As at 1 <sup>st</sup> July 2016	8,719,683	8,719,683
Surplus of income over expenditure	(1,064,502)	(1,064,502)
As at 30 <sup>th</sup> June 2017	7,655,181	7,655,181
Loss of income over expenditure	(624,666)	(624,666)
<b>As at 30<sup>th</sup> June 2018</b>	<b>7,030,515</b>	<b>7,030,515</b>

The notes on pages 64 to 76 form an integral part of these financial statements.

**MAURITIUS INSTITUTE OF DIRECTORS**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

	Note	2018 MUR	2017 MUR
Loss of income over expenditure		(624,666)	(1,064,502)
Adjustments for:			
Interest received		(436,035)	(496,434)
Retirement benefit obligations	15	133,641	74,000
Depreciation		198,629	301,511
		(728,431)	(1,185,425)
<b>Movements in working capital</b>			
Increase in trade and other receivables		1,281,805	233,214
(Decrease) / increase in trade and other payables		(1,682,555)	15,498
Increase in deferred revenue		(1,993,433)	170,884
<b>Net cash flows absorbed into operating activities</b>		<b>(3,122,614)</b>	<b>(765,829)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(25,021)	(51,980)
Purchase of intangibles		(230,000)	-
Interest received		436,035	496,434
<b>Net movement in cash and cash equivalents</b>		<b>(2,941,600)</b>	<b>(321,375)</b>
<b>Movements in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		1,038,599	10,706,974
Cash and cash equivalents at the end of the year	7	7,443,999	10,385,599
<b>Net movement in cash and cash equivalents</b>		<b>(2,941,600)</b>	<b>(321,375)</b>

The notes on pages 64 to 76 form an integral part of these financial statements.



# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

#### 1. CORPORATE INFORMATION

The Mauritius Institute of Directors (MIoD) is a company limited by guarantee incorporated and domiciled in the Republic of Mauritius on 18<sup>th</sup> January 2008 under the Companies Act 2001. The principal place of business and registered office is 1st Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Mauritius. The objects of the company is specified under section 70 of the Financial Reporting Act 2004 which states that the The Mauritius Institute of Directors shall:

- promote the highest standards of corporate governance, and of business and ethical conduct of directors serving on the boards of companies and public interest entities;
- assess the needs of directors and organise conferences, seminars, workshops and training; and
- co-operate with the Council and the National Committee on Corporate Governance and with other institutions and organisations having objects similar to those of the Mauritius Institute of Directors in order to fulfill its objects.

#### 2. NEW STANDARDS, INTERPRETATION AND AMENDMENTS TO PUBLISHED STANDARDS

##### New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but not yet effective:

Standards and interpretations		Effective dates
IFRS 9	Financial Instruments	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2018, with earlier application permitted.
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications)	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2018, with earlier application permitted.
IFRS 16	Leases	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2019, with earlier application permitted.
Amendments to IAS 7	Disclosure amended	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2017, with earlier application permitted.
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	Effective for annual periods beginning on or after 1 <sup>st</sup> January 2017, with earlier application permitted.

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

#### IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

##### New and revised IFRSs in issue but not yet effective

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss;
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss;
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of IFRS 9 in the future may have an impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

The amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2018, with earlier application permitted.

##### IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

The standard is effective for annual periods beginning on or after 1<sup>st</sup> January 2018, with early adoption permitted under IFRS.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

### IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the financial statements.

### Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1<sup>st</sup> January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

### Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

- 1) Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
- 2) When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
- 3) The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
- 4) In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1<sup>st</sup> January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

### (b) Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### (c) Revenue recognition

- (i) Subscription and members contribution  
Subscription and contribution from members are released to the income and expenditure account over the period to which they relate.
- (ii) Corporate patrons contributions and donations  
Corporate patrons contributions and donations are recognised as income over the period necessary to match them with the costs for which they are intended to compensate.
- (iii) Seminar revenue  
Seminar revenue is recognised as income in the period in which the seminar is held.
- (iv) In-house training  
In-house training is recognised as an income in the period in which the training is held.
- (v) Interest income  
Interest income is accounted on a time-proportion basis.

### (d) Deferred revenue

Seminar revenue billed during the year for seminars held after the year end is recognised as deferred revenue in the statement of financial position at year end.

Members subscriptions billed during the year for the period extending beyond the year end are recognised as deferred revenue in the statement of financial position at year end.

Corporate presold packages billed during the year but unused by subscribers at year end are recognised as deferred revenue.

### (e) Cash and cash equivalents

Cash comprises of cash at bank and in hand, demand deposits and bank overdrafts. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (f) Functional and presentation currency

#### (i) Reporting currency

The financial statements are presented in Mauritian Rupee (MUR), which is the Company's functional and presentation currency and represents the currency of the primary economic environment in which the entity operates.

#### (ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies at year end exchange rates are recognised in the profit or loss.

## (g) Related parties

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## (h) Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents and trade and other payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

## (i) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

## (j) Trade and other receivables

Trade and other receivables are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

## (k) Trade and other payables

Trade and other payables are stated at their fair value.

## (l) Provisions

Provisions are recognised when the company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

## (m) Impairment of assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangibles assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

## (n) Plant and equipment

All plant and equipment are initially recorded at cost. Depreciation is calculated to write off the cost or revalued amount of the assets on a straight line basis over the expected useful lives as follows:-

	<b>Rate per annum</b>
Leasehold improvement	- 25%
Computer equipment	- 33.33%
Office furniture	- 25%

Where assets have been acquired during the year, charges to the statement of income and expenditure have been pro-rated.

## (o) Employee benefits

## (i) Unfunded defined benefit plan

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

## (ii) State Plan

Contributions to the National Pension Scheme are expensed to the statement of income and expenditure in the period in which they fall due.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4.1 Key sources of estimation uncertainty

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

5 (a). PLANT AND EQUIPMENT	Leasehold improvement	Computer equipment	Office furniture	Total
COST	MUR	MUR	MUR	MUR
At 1 <sup>st</sup> July 2017	858,201	1,323,092	305,491	2,486,784
Additions	-	-	25,021	25,021
<b>At 30<sup>th</sup> June 2018</b>	<b>858,201</b>	<b>1,323,092</b>	<b>330,512</b>	<b>2,511,805</b>
<b>DEPRECIATION</b>				
At 1 <sup>st</sup> July 2017	858,201	1,112,447	236,528	2,207,176
Charge for the year	-	185,374	13,255	198,629
<b>At 30<sup>th</sup> June 2018</b>	<b>858,201</b>	<b>1,297,821</b>	<b>249,783</b>	<b>2,405,805</b>
<b>NET BOOK VALUE</b>				
At 30 <sup>th</sup> June 2018	-	25,271	80,729	106,000
At 30 <sup>th</sup> June 2017	-	210,645	68,963	279,608

#### 5 (b). INTANGIBLE ASSETS

COST	2018 MUR	Total MUR
At 1 <sup>st</sup> July 2017	-	-
Additions	230,000	230,000
<b>At 30<sup>th</sup> June 2018</b>	<b>230,000</b>	<b>230,000</b>
<b>AMORTISATION</b>		
At 1 <sup>st</sup> July 2017	-	-
Charge for the year	-	-
<b>At 30<sup>th</sup> June 2018</b>	<b>-</b>	<b>-</b>
<b>NET BOOK VALUES</b>		
At 30 <sup>th</sup> June 2018	230,000	230,000

Intangible assets which comprises computer software is initially recorded at cost and amortised using straightline method over its expected useful life

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

6. TRADE AND OTHER RECEIVABLES	2018 MUR	2017 MUR
Trade receivables	1,054,492	2,077,219
Less: Bad debts written-off	(309,932)	(32,240)
	<b>744,560</b>	2,044,979
Less: Provision for impairment of trade receivables	-	(500,000)
	<b>744,560</b>	1,544,979
Prepayments and other receivables	2,026,427	2,507,813
	<b>2,770,987</b>	4,052,792
<b>Ageing of net receivables</b>		
Debtors 120days+	253,625	1,090,437
Debtors 90 days	6,000	155,585
Debtors 60 days	-	119,750
Debtors 30 days	132,000	182,310
Debtors current month	352,936	496,897
	<b>744,560</b>	2,044,979
Provision for impairment of trade receivables		
Balance as at 1 <sup>st</sup> July	500,000	222,315
Provision for the year	-	500,000
Provision written-off during the year	(500,000)	(222,315)
Balance as at 30 <sup>th</sup> June	-	500,000

Taking into consideration the credit quality of the trade receivables, the company considers that no provision for impairment is required on trade receivables.

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

	2018 MUR	2017 MUR
<b>7. CASH AND CASH EQUIVALENTS</b>		
Maubank deposit account	5,725,000	5,725,000
MCB deposit account	1,000,000	2,000,000
MauBank savings accounts	10,657	10,657
	<b>6,735,657</b>	7,735,657
HSBC & MCB current account	704,342	2,645,942
Cash in hand	4,000	4,000
<b>Total amount</b>	<b>7,443,999</b>	<b>10,385,599</b>

	2018 MUR	2017 MUR
<b>8. ACCUMULATED FUNDS</b>		
Members' funds	7,030,515	4,961,924

#### 9. TRADE AND OTHER PAYABLES

Trade payables	138,270	487,950
Accruals and other payables	761,567	2,094,442
	<b>899,837</b>	2,582,392

No interest is charged on trade payables. The company aims to ensure that all payables are paid within the credit timeframe, usually within one month.

#### 10. DEFERRED REVENUE

The deferred revenue are in respect of:	2018 MUR	2017 MUR
(i) Members subscriptions billed during the year for the period extending beyond the year end	2,061,493	2,133,827
(ii) Contributions received during the year for the next financial period	-	735,465
(iii) Seminar revenue billed during the year for seminars held after the year end and presold seminar	282,500	1,458,134
(iv) Affinity revenue	-	10,000
	<b>2,343,993</b>	4,337,426

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

#### 11. TAXATION

No provision has been made for taxation as the company is classified as a charitable institution under the Income Tax Act 1995 and is therefore exempt from income tax. This exemption has been confirmed by a written correspondence received from the MRA on the 27<sup>th</sup> September 2010.

#### 12. OPERATING LEASES

	2018 MUR	2017 MUR
(i) Operating Lease Rentals		
Within 1 year	409,675	409,675
After 1 year and up to five years	754,805	754,805
	<b>1,164,480</b>	1,164,480

(ii) The company leases premises under operating lease for an average period of 3 years with a clause providing for increase in rental to cater for inflation.

#### 13. RELATED PARTY TRANSACTIONS

(i) During the year ended 30<sup>th</sup> June 2018, the Company did not have any transactions with related parties.

(ii) Compensation to key management personnel:

The emoluments paid to key management personnel during the year under review was **MUR 8,317,692** (year ended 30<sup>th</sup> June 2017: MUR 7,484,138).

#### 14. LIABILITY OF MEMBERS

In terms of its constitution, members and fellows of the Mauritius Institute of Directors have each guaranteed to contribute a maximum of Rs. 100 should there be a shortfall in net assets in the event of the company being wound up. As at the date of these financial statements there were 397 fellows and 772 members of the company to whom this guarantee applies.

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

15. RETIREMENT BENEFIT OBLIGATIONS	2018	2017
<b>Reconciliation of Net Defined Benefit Liability/(Asset)</b>	<b>MUR</b>	<b>MUR</b>
Opening balance	143,000	69,000
Amount recognised in income & expenditure	133,641	71,000
Amount recognised in OCI	-	3,000
<b>Closing balance</b>	<b>276,641</b>	<b>143,000</b>

#### Data Summary

Employees entitled to retirement gratuities only as at 30<sup>th</sup> June 2018

	Number	Average age	Remuneration (MUR'000)	Average Remuneration (MUR pa)	Average Service
Female	4	35	1,832	458,051	2.25

Note: The movement in retirements benefit obligations is grouped under "Salaries and personnel costs" in the Statement of Income and Expenditure.

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

#### 16. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks such as credit risk, interest rate risk and liquidity risk.

##### Fair values

The carrying amount of financial assets and financial liabilities approximate their values.

##### Categories of financial instruments

	2018	2017
<b>Financial assets</b>	<b>MUR</b>	<b>MUR</b>
Trade and other receivables	744,560	1,544,979
Cash and cash equivalents	7,443,999	10,385,599
	<b>8,188,559</b>	<b>11,930,578</b>
<b>Financial liabilities</b>		
Trade and other payables	138,270	487,950
	<b>138,270</b>	<b>487,950</b>

##### Credit risk

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful debts, if any, estimated by the company's management based on prior experience.

##### Interest rate risk

The company is exposed to interest rate risk as it receives interests on its interest bearing assets at floating rates.

The interest rate profile of the financial assets at 30<sup>th</sup> June was:

Financial assets	Balance with bank - floating interest rate	
	2018	2017
	%	%
Mauritian rupees	4.18 to 7.0	4.18 to 7.0

##### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the nonderivative instruments at the reporting date. For floating rate assets, the analysis is prepared assuming the amount of assets at the reporting date was owned for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

## MAURITIUS INSTITUTE OF DIRECTORS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

#### 16. FINANCIAL INSTRUMENTS (Continued)

##### Liquidity risk management

The company manages liquidity risk by maintaining adequate cash and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial instruments is summarised as follows:

	2018		2017	
	Less than 1 month MUR	Total MUR	Less than 1 month MUR	Total MUR
Financial assets				
Trade and other receivables	744,560	744,560	1,544,979	1,544,979
Cash and cash equivalents	7,443,999	7,443,999	10,385,599	10,385,599
	<b>8,188,559</b>	<b>8,188,559</b>	11,930,578	11,930,578
Financial liabilities				
Trade and other payables	138,270	138,270	487,950	487,950
	<b>138,270</b>	<b>138,270</b>	487,950	487,950

Note: Prepayments and accrual are excluded from financial assets and financial liabilities.

#### 17. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which may have a material effect on the financial statements as at 30<sup>th</sup> June 2018.







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