

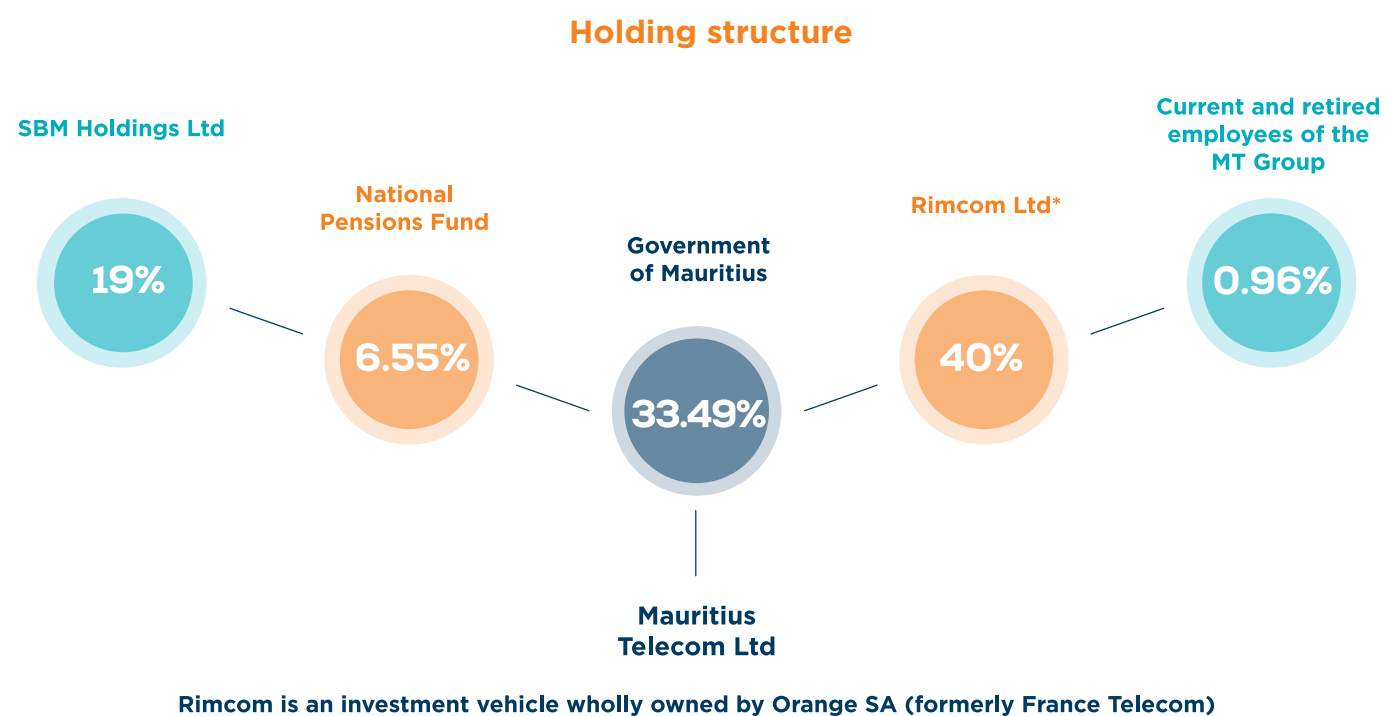
# Corporate Governance Report

Mauritius Telecom Ltd (“the Company”) is a public limited company and qualifies as a Public Interest Entity under the Financial Reporting Act 2004.

The application of the National Code of Corporate Governance (2016) introduced the concept of apply and explain the eight principles of governance:

1. Governance structure
2. The structure of the Board and its Committees
3. Director appointment procedures
4. Directors’ duties, remuneration and performance
5. Risk governance and internal control
6. Reporting with integrity
7. Audit
8. Relations with shareholders and other key stakeholders.

For the reporting period ended 31 December 2022, the Board considers that the Company has complied in all material respects, as far as practical, with the principles of the National Code of Corporate Governance (2016). The present report sets out how the principles of the Code have been applied within the Company.



## Substantial shareholders

Details of shareholders holding more than 5% of the Company’s shares are included in the holding structure above.

In addition, employees and past employees together hold 0.96% of the Company’s shares further to a share participation scheme introduced in June 2007.

## Dividends

Having regard *inter alia* to net results, general financial performance, and subject to capital requirements and investment needs, the Company distributes dividends, the level of which are expected to remain sustainable in the medium and long term under normal circumstances.

## Shareholders’ Agreement

The Shareholders’ Agreement was signed in November 2000 between the Government of Mauritius and Rimcom Ltd (Mauritius Telecom’s strategic partner). The current composition of the Board is pursuant to the Shareholders’ Agreement which provides that the Government of Mauritius shall nominate for appointment five out of nine directors while Rimcom Ltd shall nominate four directors. Five of the nine directors are Mauritian citizens and are residents of Mauritius. Four directors are foreign citizens.

The Shareholders’ Agreement confers the right to appoint directors based on the competencies, experience and age of the candidate and gender diversity. By virtue of the Shareholders’ Agreement, succession plans for directorship appointments remain at the discretion of the shareholders.

Due to the dynamic nature of the Company’s operations, the establishment of a standard induction plan has been considered. However, in the event of a new appointment to the Board, the Chairman of the Board and the Company Secretary would, where required, tailor an appropriate induction plan to update the new member on the Company’s current position and future financial and performance objectives to ensure the effective integration and orientation of him/her to the Board.

## Board Charter

The Board Charter, which includes the following, is governed by the Shareholders’ Agreement:

- Organisation of Board meetings
- Quorum
- Election of directors

- Voting rights of directors
- Dividend policy
- Matters pertaining to Management
- Annual business plan
- Deadlock resolution

The Company Organisational Website will be updated for further compliance with the Code of Corporate Governance [see Statement of Compliance].

## Board of Directors

The detailed composition of the Board of Directors can be found on pages 20 to 28 of the Annual Report, together with a profile of each director. The profiles also include details of other directorships of each Board member, where applicable.

Mauritius Telecom does not have executive directors [see Statement of Compliance].

The Board is well balanced with members who have appropriate knowledge, skills and experience including within the telecommunication sector at both operational and financial levels. All members, collectively and individually, bring along their expertise to Board meetings, sharing their vision of the Company and enriching the professional development of the Board and its members.

The directors assume the responsibility for orientating business operations and implementing proper controls for their effective performance. They are also responsible for compliance with legal and regulatory requirements. Any new legal regulation is assessed and its impact on the Company’s IT and financial reporting environment (as assessed by the appropriate key management people) is reviewed before integrating an implementation plan within the normal course of business activities. None of the directors of Mauritius Telecom hold shares in the Company nor in its subsidiaries.

Directors’ emoluments are provided on page 6 under remuneration of directors.

The Chairman heads the Board of Directors, which is composed of the nine members elected by the shareholders.

The Chief Executive Officer (CEO) and/or his representative, participating at a Board of Directors meeting, fulfills the duties of an executive director, which comprise giving an overview of the health of the Company and its subsidiaries. There is no restriction on gender or age.

# Corporate Governance Report (cont'd)

## Board of Directors (cont'd)

All directors are non-executive. The appointment of the directors is governed by the Shareholders' Agreement. The effectiveness of the Board with its current composition is adequate as the financial and operational performance, presented by the CEO and other key management persons attending a Board meeting, is challenged by the non-executive directors as necessary.

Directors nominated for appointment are elected each year at the Annual Meeting of Shareholders.

Board meetings are normally held once every quarter or at such intervals as may be required. In addition to meetings held in Mauritius, teleconferences are held when necessary to discuss important matters. The Board determines the orientation of the Company's activities in terms of goals and strategies and approves its strategic and operating plans. It also examines and approves major policy decisions as well as the Company's annual operating and investments budgets, and any other capital expenses.

The Board is responsible for the monitoring of the Company's internal control mechanisms and its management information systems. To ensure their proper and effective implementation, the Company has established a separate Audit/Risk Management and Remuneration committee.

The members of the Board are also individually responsible to report any interest to the Board. The Company Secretary maintains an interest register as required by law.

Evaluation of the effectiveness of the Board remains in the hands of the Chairman and the shareholders [see Statement of Compliance].

## Chief Executive Officer

Pursuant to Section 4.2 (c) of the Shareholders' Agreement, the Chief Executive Officer is appointed by the Board of Directors upon proposal of Government after consultation with Mauritius Telecom's strategic partner.

The duties and responsibilities of the Chief Executive Officer are:

- To be responsible and accountable to the Board of Directors for the overall management of the Company and the Group, including responsibility for the conduct of the day-to-day operations of the Company and the Group.

## Senior Management

The profiles of Senior Management members can be found on pages 42 to 55 of the Annual Report.

## Company Secretary

The Company Secretary ensures the proper coordination and conduct of Board, Shareholder and Board Committee meetings. He advises the Chairman and the Chief Executive Officer on the Company's corporate governance policies and practices, and on compliance with relevant legislation. He ensures that the legal interests of the Company are safeguarded.

## Related-party transactions

All related-party transactions are disclosed in note 34 to the consolidated and separate Financial Statements.

## Memorandum and Articles of Association

The Memorandum and Articles of Association of Mauritius Telecom Ltd is in conformity with the Mauritius Companies Act 2001 and is a public document.

The Company has wide objectives which include the provision of telecommunication services and products of all kinds.

The liability of members is limited.

There are no pre-emptive rights attached to shares.

All ordinary shares rank equally for purposes of rights to dividends and other distributions.

The Government of Mauritius holds a Special Share which entitles it to voting rights which are stated in Clause 2.1A of the Articles of Association.

All shareholders are entitled to receive notice to attend and to vote at General Meetings of the Company.

## Management agreement

Neither the Company nor any of its subsidiaries has any management agreement with a third party who is a director, or with a company owned or controlled by a director.

## Share-option plans

The Company has no share-option plans.

## Remuneration of directors

Fees paid by the Company to the directors for 2022 are as follows:

Directors' Name	Board and Board Committee fees (Rs)
<b>Nayen Koomar Ballah GOSK, Chairman</b> (to July 2022)	910,499
<b>Ramesh Bheekhoo</b> (to 20 July 2022)	215,581
<b>Koosiram Conhye</b> (to 20 July 2022)	211,981
<b>Dheerendra Kumar Dabee GOSK, SC</b> (to 20 July 2022)	201,181
<b>Dharam Dev Manraj GOSK</b> (to 20 July 2022)	211,981
<b>Maxime Sauzier SC, Chairman</b> (from 21 July 2022)	648,000
<b>Anandsing Acharuz</b> (from 21 July 2022)	138,100
<b>Alain Ah-Sue</b> (from 21 July 2022)	134,500
<b>Kritananda Naghee Reddy</b> (from 21 July 2022)	134,500
<b>Neermal Saddul</b> (from 21 July 2022)	130,900

The Company paid a total fee of Rs 1,410,000 to Rimcom Ltd for the following directors:

- **Alban Lo Gatto**
- **Elsa Mainville**
- **Elisabeth Medou Badang**
- **Jean-François Thomas**

The directors have received no additional fees and/or allowances during the year.

## Remuneration policy

The remuneration of directors is considered by the Board's Remuneration Committee.

A resolution to that effect is passed by shareholders at the Company's Annual Meeting of Shareholders. Remuneration consists of a fixed fee as well as variable fees, which are determined by the attendance of a director at Board and Board Committee meetings.

## Committees

The following committees have been established to act as an evaluator in various key areas, on organisational health and on ensuring sound management of risks. Committees set up are as follows:

### Remuneration Committee

In 2022, the Remuneration Committee was composed of the following Board members:

- **Nayen Koomar Ballah GOSK** (to 20 July 2022) - Chairman
- **Koosiram Conhye** (to 20 July 2022)
- **Dheerendra Kumar Dabee GOSK SC** (to 20 July 2022)
- **Alban Lo Gatto** (from 20 June 2022)
- **Elsa Mainville** (from 16 September 2022)
- **Neermal Saddul** (from 16 September 2022)
- **Anandsing Acharuz** (from 16 September 2022)
- **Alain Ah-Sue** (from 16 September 2022)

# Corporate Governance Report (cont'd)

## Committees (cont'd)

### Remuneration Committee (cont'd)

The Remuneration Committee reviews all aspects of the terms and conditions of service of managerial and non-managerial staff. Recognising that remuneration packages are a major cost but also a significant management resource, the Remuneration Committee ensures *inter alia* that the remuneration packages provided to management and staff are competitive and that the remuneration system offers the possibility of excellent reward for excellent performance.

The Remuneration Committee also reviews the remuneration of directors. There is no long-term incentive plan established for any director.

There was no remuneration to the non-executive directors in the form of share options and bonuses associated with organisational performance.

The following are part of the Remuneration Committee's terms of reference:

- To examine reward packages as a whole, with a view to ensuring overall competitiveness
- To maintain an effective system of job evaluation so as to ensure that the grade structure is maintained at Management level.

The Remuneration Committee's terms of reference include Mauritius Telecom Ltd as well as subsidiary companies that form part of the MT Group.

Note: No Remuneration Committee meeting was held during 2022.

### Audit/Risk Management Committee

The members of the Audit/Risk Management Committee are appointed by the Board.

During the year under review, the Audit/Risk Management Committee was composed of the following Board members:

- **Elisabeth Medou Badang**  
Chairperson - (to 16 August 2022)
- **Koosiram Conhye**  
(to 20 July 2022)
- **Dharam Dev Manraj GOSK**  
(to 20 July 2022)

- **Ramesh Bheekhoo**  
(to 20 July 2022)
- **Jean-François Thomas**
- **Elsa Mainville**
- **Anandsing Acharuz**  
(from 9 August 2022)  
Chairman (from 16 August 2023)
- **Alain Ah-Sue**  
(from 9 August 2022)
- **Kritananda Naghee Reddy**  
(from 9 August 2022)

The Audit/Risk Management Committee is a standing committee of the Board established to assist it in fulfilling its fiduciary responsibilities. The Audit/Risk Management Committee meets as and when required, generally prior to Board meetings.

The following are part of the Audit/Risk Management Committee's terms of reference:

- Review the Group and the Company's financial statements and other financial documents to be submitted for Board approval.
- Review the financial reporting process to ensure compliance with accounting standards and relevant legislation.
- Review the Group's and the Company's Internal Audit Function and its relationship with external auditors, ensure that internal control procedures are in place and assess their adequacy and effectiveness.
- Ensure that the Group and the Company comply with laws and regulations in force, conduct their affairs ethically, maintain effective control over employee conflict of interest and fraud, and adhere to applicable standards of corporate governance.
- Make recommendations to the Board on matters relating to the financial affairs of the Group and the Company and corporate governance.
- Review and approve risk policy on an annual basis.
- Establish the systematic and continuous identification, evaluation, measurement and mitigation practices of operational risks as they pertain to the Group and the Company.

- Define and approve clear risk-management practices and prudential limits, and strategy covering risk-management philosophy and responsibilities throughout the Group and the Company.
- Reduce and mitigate identified risks to an acceptable level or consider their transfer.
- Ensure that adequate and effective controls and measures are in place to manage the most significant risk factors and respond in a manner that is appropriate and proportional to the risks identified.

The Audit/Risk Management Committee's terms of reference include Mauritius Telecom as well as the subsidiary companies which are part of the MT Group.

### Internal Audit

The internal audit function ensures that the Company and its subsidiaries are efficiently run in compliance with internal control mechanisms. It is headed by the Chief Internal Audit and Risk Management Officer, K Goburdhun, who reports directly to the Audit Committee.

His duties include the development and implementation of a comprehensive audit programme for the evaluation of management controls for the major activities of the operating components within the Group. He investigates and examines the effectiveness of the use of Company resources and compliance with established and new policies, procedures and processes. There is no restriction from the Board or key management personnel on the scope of the Internal Audit Department's review or on the scope of the right to information required for its review. He reports on audit findings on a regular basis to the Audit Committee.

### External Audit

The external auditors, Messrs Deloitte, were appointed for the statutory audit of the financial year ended 31 December 2022. The external auditors meet with the members of the Audit/Risk Management Committee to discuss and finalise the scope of the audit approach, the audit execution plan and findings arising from the audit process (including internal controls).

The members of the Audit/Risk Management Committee evaluate the performance of the external auditors, audit quality and their findings as criteria for re-appointment.

### Corporate Governance Committee

The Corporate Governance Committee duties are discharged by the Audit/Risk Management Committee.

### Internal control mechanisms

To promote the adequacy and effectiveness of internal controls within the Company and its subsidiaries, the following mechanisms are used to ensure that operations are adequately monitored and in line with established policies and processes:

- Board committees with specific focus as described above.
- Clear roles and responsibilities for each employee within the organisational structure with well-defined lines of reporting.
- A formalised annual budgetary exercise driven by all departments leading to the annual budget which is put to the Board for approval.
- Monthly monitoring of performance against budgets with explanations on variances for the operating components within the Group.
- An Internal Audit Department with the Internal Auditor reporting to the Audit Committee.

### Board and Board Committee attendance

The record of attendance at Board and Board Committee meetings can be found at the end of this section of this Report.

### Risk management

A description of key risks and how they are managed can be found in the Annual Report's Business Review section.

### Climate change and green actions

Initiatives relating to the Company's carbon reduction commitment and green actions at Group level can be found in the Annual Report's Business Review section.



# Corporate Governance Report (cont'd)

## Business continuity

Business continuity plans allow Mauritius Telecom to have a holistic approach to sustain operations during any crisis. The ability to identify, detect, prevent and prepare for events that may disrupt normal activities, as well as the identification of mission critical processes, have enabled the implementation of business continuity plans, thus enabling the smooth delivery of services. Business continuity management is good business practice because it enables organisations to sustain essential functions across a broad spectrum of disruptions and emergencies. It includes all types of scenarios, ranging from system or component failures, software upgrades to a man-made or natural disaster that may broadly impact any assets including buildings and/or people.

The above has been achieved through proper risk assessment and business impact analyses. The business impact analysis has been performed to understand which business processes are important. These "critical" business processes are provided with special protection in the framework of business continuity management and precautions are taken in case of a crisis. Strategies have been devised based on the assessment and business continuity plans developed. They involve specifying redundant systems, back-up sites, employee communications and alternative work sites. Suppliers have been involved in case of long outages or support required. Maintaining customer service and proper communication following a crisis, and procedures to be followed up to normalisation have been defined. Losing critical systems, processes or data because of an interruption in the business can have a large impact on the Company's reputation, lead to customer dissatisfaction and can result in financial loss.

The business continuity plans are tested regularly simulating real-case scenarios to validate their effectiveness when a disaster occurs. This has enabled putting the plans in practice at short notice whenever required. Through simulation exercises, the recovery strategy is refined regularly to validate operational effectiveness. A crisis management plan and processes have been defined to enable use and escalation when required.

## Physical security

At Mauritius Telecom, physical security is central to its ability to build resilience and a priority to safeguard people, assets and MT's reputation. The Company provides a secure environment for its employees, customers and partners no matter when, where and how business is conducted.

Over the years, Mauritius Telecom has deployed state-of-the-art CCTV and access control systems at all its premises, coupled with other physical security measures such as intruder alarms, intervention and monitoring system. The Company associates with competent physical security services providers, who have all the adequate resources to help meet Mauritius Telecom's physical security objectives.

## Conflicts of interest

Matters relating to conflicts of interest, if any, are dealt with under Clause 14 of the Company's Articles of Association.

## Ethics

The Company's conditions of service contain a specific section relating to the Code of Ethics and the general obligations of employees. Members of specific professions who are employed by Mauritius Telecom Ltd (for example accountants and engineers) are also governed by the particular codes of ethics established by their respective professional bodies. During day-to-day operations, the monitoring of compliance remains in the hands of key management staff, who are to report on instances of non-compliance to the Board and other relevant committees as appropriate.

There is also an MT Charter for Ethical Business, introduced so as to provide guidelines to MT Group employees on ethical conduct.

Courses have been delivered by a team of trainers so as to sensitise all staff to the Charter.

## Corporate social responsibility (CSR)

CSR activities are detailed in the Annual Report's Business Review section. Mauritius Telecom Ltd complies with the requirements relating to corporate social responsibility through the Mauritius Telecom Foundation, a subsidiary of Mauritius Telecom Ltd, which implements CSR projects on behalf of the Group and the Company in consultation with the Government of Mauritius' National Social Inclusion Foundation.

The Mauritius Telecom Foundation actively participates in funding major national projects promoting social integration, economic empowerment and poverty alleviation. Other CSR initiatives include support to community projects in the fields of information and communication technology, socio-economic development, education, health, leisure and sports, and the environment.

## Health and safety

Mauritius Telecom complies with the requirements of health and safety legislation. Related company activities, including internal awareness campaigns, are detailed in the Business Review section.

In the context of Covid-19, all applicable measures were taken to ensure the safety of customers and employees.

## Information Security

There is an information security policy in place which applies to all Mauritius Telecom employees, suppliers and other parties who have access to MT information assets. This policy aims at protecting and securing information.

The information security within the Company protects information from a range of threats and it aims to preserve:

- i. Its confidentiality, by ensuring information is accessible only to those who are authorized to have access. Physical and logical access controls are always in place with staff regularly made aware of relevant requirements.
- ii. Its integrity, by safeguarding the accuracy and completeness of information processing methods.
- iii. Its availability, by ensuring that authorized users have access to information and associated assets when required.

The Group Executive Committee is responsible for the information security strategy and ensures that necessary tools, methods, and resources are available and in place to combat security risks and threats.

The Information System department is responsible for implementing decisions taken by the Group Executive Committee.

## Annual shareholders' meeting

The Company is not listed on the Stock Exchange of Mauritius. Therefore, it does not set the advance timetable dates for reporting and meeting required under the rules for listed companies.

A formal Annual Meeting of Shareholders is held every year. Advance notice, in line with the provisions of the Mauritius Companies Act 2001, is issued to directors and all shareholders.

The calendar of key events as follows:

EVENTS	MONTH
Financial year	January to December
Dividend declaration	December, subject to adequate visibility on financial indicators
Annual Meeting of shareholders	June

In addition to the shareholders, who are the key stakeholders in the Group and the Company, the below-mentioned stakeholders are also considered of major importance for the Group's and the Company's successful progress:

1. Customers
2. Employees
3. Suppliers/creditors
4. Regulators
5. Banks

The Group and the Company engage with their stakeholders through open and effective communication to respond to their expectations and interest. The Group and the Company provide transparent information on the Company's business activities and other matters as may be required via their websites (myt.mu and telecom.mu) and press communiqués.

## Donations

There was no donation made by the Group during the financial year ended 31 December 2022 (2021: Nil).

There was no political funding made during the financial year ended 31 December 2022 (2021: Nil).

## On behalf of the Board of Directors



**P C COLIMALAY**  
COMPANY SECRETARY

17 May 2023