

ABC BANKING CORPORATION LTD  
**Code of Conduct for Directors**

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**ABC BANKING  
CORPORATION**  
count on us

# CODE OF CONDUCT FOR DIRECTORS

The purpose of the Code is to provide:

- Guidance to directors and help them recognise and deal with ethical issues; and
- Help foster a culture of honesty and accountability and mechanisms to report unethical conduct. The Code should not be considered as an exhaustive document and read in conjunction with the Banking Act 2004 and as well as relevant Bank of Mauritius Guidelines and the National Code of Corporate Governance.

## A. Duties of Directors

Directors should act in good faith and make and enact informed decisions and policies in the best interests of the Company. They have a responsibility to carry out their duties diligently, in an honest manner, with reasonable competence and act within the scope of their authority. They must consistently attend Board meetings and devote sufficient time to ensure familiarity with the Company's business and environment. Directors should ensure observance of confidentiality provisions of non-public information disclosed to them. They must act in a manner which enhances and maintains the reputation of the Company at all times.

## B. Conflict of Interest

Directors must, as far as possible, avoid conflicts and where a conflict or potential conflict arises, the same must be disclosed and all procedures for dealing with such cases must be strictly adhered to. Directors who are conflicted regarding a particular issue should not participate in the related discussions and decision-making. A conflict of interest may occur when:

- i. A director's personal interest is adverse to or may seem to be adverse to the interests of the Company.
- ii. A director, or a member of his or her immediate family, receives improper personal benefits as a result of his/her position in the Company.

The examples of situations of conflict of interests which a director may face during his/her tenure are listed, but not limited to, as follows:

- Gifts which are not customary in normal business relationships being accepted or given to any person/Company seeking to do business or to retain the services of the Company.
- Engaging in any outside business, professional or other activities that would directly or indirectly adversely affect the Company.
- Members of the board who may have interests (earning of money or other advantage) or directorship in competing/connected organisations
- A director who sits on the board of a supplier or customer
- Procurement through family connections
- Acting in a way that ensures potential personal gain rather than in the best interests of the company

Directors of the bank must therefore strictly avoid the above situations. Should any director be placed in any of the above situations, or any other situation where his interests become adverse to those of the bank, the director must immediately inform the Chairperson of the Board of such situation and the latter shall, after consultation with the other members of the Board, advise of the best course of action to remedy the situation. The onus will be on the directors to advise the Board on any change in their situation.

Should a director have conflicting interests or perceived conflicting interest in relation any item on the agenda of a meeting of the Board or one of the Committees of the Board, the director must disclose

such interest at the opening of that meeting and the members present will opine whether such conflict is real and material. Should that be case, the concerned director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises and must leave the room during such deliberations. The transaction may however be concluded and approved at market terms and conditions. All related party transactions shall be considered and approved by the Conduct Review Committee.

### **C. Corporate Opportunities**

Directors must not take improper advantage of their position or use the Company's property or position for personal gain. Directors may not use any information or opportunity received by them in their capacity as directors in a manner that would be detrimental to the Company's interests.

### **D. Compliance with Laws, Rules & Regulations: Fair Dealings**

Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company. Directors must deal fairly, and must oversee fair dealings by employees and officers, with the Company's customers, suppliers, competitors and employees. Directors should encourage the reporting of any illegal or unethical behaviour. They should communicate any suspected breaches of this Code promptly to the Chairperson of the Corporate Governance Committee or any other person responsible for Compliance in the Company. Any breach of the Code will be investigated and appropriate actions taken as necessary.

### **E. Waiver of the Code of Conduct**

Any waiver of this Code may be made only by the Board of directors or a Committee of the Board and must be promptly disclosed to the Company's shareholders.

