

**International Comparative  
Data and Benchmarks  
July 2015  
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## **INTRODUCTION**

This publication has been designed for use by policy makers in Mauritius that are interested in evaluating corporate governance performance against international benchmarks.

The Code of Corporate Governance for Mauritius (2016) is comprised of eight principles that form the framework for international benchmarks.

It is intended that this data will be published on the National Committee of Corporate Governance website and will be updated on a regular basis.

## PRINCIPLES

### Principle 1: Governance Structure

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

#### 1.1 Overall

Mauritian boards currently perform at satisfactory levels relative to international standards.

- The Ibrahim Index of African Governance <sup>1</sup> ranks Mauritius at 1st out of 52 African countries in terms Governance. In 2014 Mauritius achieved a score of 81.7 out of 100.
- The Global Competitiveness Index <sup>2</sup> ranks Mauritius in the second quartile at 39<sup>th</sup> out of 144 countries in terms of the efficacy of boards.

#### 1.2 Recommended disclosure

The Code of Corporate Governance recommends that the following documents should be published:

- The organisation's constitution (i.e. Memorandum and Articles of Association) – on the organisation's website
- A Board Charter – on the organisation's website
- A Code of Ethics – on the organisation's website
- Job Descriptions or Position Statements – on the organisation's website
- Organisational Chart and Statement of Accountabilities – in the annual report and on the organisation's website

#### 1.3 International disclosure recommendations

Good practice disclosure of this sort already exists:

- The organisation's constitution (i.e. Memorandum and Articles of Association) – on the organisation's website – an organisation's constitution is normally available upon application to the Registrar of Companies in many countries.
- A Board Charter – on the organisation's website - Malaysian Code on Corporate Governance (2012)
- A Code of Ethics – on the organisation's website – Malaysian Code on Corporate Governance (2012)
- Job Descriptions or Position Statements – on the organisation's website. The Integrated Report Framework (2013) recommends that an integrated report should identify the organization's operating structure.
- Organisational Chart and Statement of Accountabilities – in the annual report and on the organisation's website - UK Code of Corporate Governance (2014) “The annual report should

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<sup>1</sup> Mo Ibrahim Foundation. (2014)

<sup>2</sup> World Economic Forum (2014)

include ...a high level statement of which types of decisions are to be taken by the board and which are to be delegated to management.”

## 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 and independent and non independent nonexecutive 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 formed to assist the board in the effective performance of its duties.*

### 2.1 Overall

Mauritian boards currently perform at satisfactory levels relative to international standards.

- The Global Competitiveness Index <sup>3</sup> ranks Mauritius in the second quartile at 43rd out of 144 countries in terms of willingness to delegate authority.

### 2.2 Board Size

*Table 2.1: Maximum and minimum number of directors on a board <sup>4</sup>*

Country	Minimum number of directors	Maximum term of directors
Argentina	3	
Australia	No requirement	No requirement
Austria	No requirement	No requirement
Belgium	3	
Brazil	3	
Canada	3	
Chile	5	
Denmark	No requirement	No requirement
Estonia	No requirement	No requirement
Finland	No requirement	No requirement
France	3	18
Germany	3	21
Greece	3	
Hong Kong, China	2	
Hungary	5	
Iceland	No requirement	No requirement
India	3	
Indonesia	No requirement	No requirement
Ireland	No requirement	No requirement
Israel	4	
Italy	3	
Japan	3	
Korea	No requirement	No requirement

<sup>3</sup> World Economic Forum (2014)

<sup>4</sup> OECD (2015)

Luxembourg	<b>No requirement</b>	<b>No requirement</b>
<i>Mauritius</i>	<b>2</b>	<b><i>No requirement</i></b>
Mexico		<b>21</b>
Netherlands	<b>No requirement</b>	<b>No requirement</b>
New Zealand	<b>No requirement</b>	<b>No requirement</b>
Norway	<b>3</b>	
Poland	<b>5</b>	
Portugal	<b>No requirement</b>	<b>No requirement</b>
Saudi Arabia		
Singapore	<b>3</b>	<b>11</b>
Slovak Republic	<b>No requirement</b>	<b>No requirement</b>
Slovenia	<b>3</b>	<b>No requirement</b>
Spain	<b>No requirement</b>	<b>No requirement</b>
Sweden	<b>3</b>	
Switzerland	<b>No requirement</b>	<b>No requirement</b>
Turkey	<b>5</b>	
United Kingdom	<b>2</b>	
United States	<b>3</b>	

The average size of boards in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

*Table 2.2: Board size in Europe* <sup>5</sup>

Country	Board size
Germany	<b>17.0</b>
Spain	<b>14.3</b>
Portugal	<b>14.1</b>
France	<b>14.0</b>
Italy	<b>14.0</b>
Belgium	<b>12.5</b>
United Kingdom	<b>12.4</b>
Austria	<b>11.8</b>
Sweden	<b>11.6</b>
Switzerland	<b>10.3</b>
Denmark	<b>10.0</b>
Netherlands	<b>8.6</b>
Norway	<b>8.5</b>
Poland	<b>8.3</b>
Finland	<b>7.5</b>
European average	<b>12.1</b>

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<sup>5</sup> Heidrick and Struggles (2014)

## 2.3 Proportion of non-executive directors

The average proportion of non-executive directors on boards in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

*Table 2.3: The average proportion of non-executive directors on boards in Europe* <sup>6</sup>

Country	Proportion of non-executive directors (%)
Norway	<b>98</b>
Sweden	<b>94</b>
Switzerland	<b>94</b>
France	<b>91</b>
Belgium	<b>88</b>
Finland	<b>88</b>
Spain	<b>83</b>
Denmark	<b>82</b>
Italy	<b>78</b>
Austria	<b>76</b>
United Kingdom	<b>75</b>
Netherlands	<b>74</b>
Germany	<b>72</b>
Portugal	<b>63</b>
Poland	<b>59</b>
European average	<b>80</b>

## 2.4 Independent Directors

Board independence definitions are not standardised. Substantial differences exist in the areas of:

- The minimum number or ratio of independent directors (table 4)
- The maximum term of office (years) (table 5)
- Substantial shareholding (table 6)

*Table 2.4: Independent directors on a board – minimum number or ratio* <sup>7</sup>

Country	Board independence requirements – minimum number or ratio of independent directors
Argentina	<b>66%</b>
Australia	<b>50%</b>
Austria	<b>50%</b>
Belgium	<b>3</b>
Brazil	<b>20%</b>
Canada	<b>2</b>
Chile	<b>1</b>
Denmark	<b>50%</b>
Estonia	<b>50%</b>
Finland	<b>50%</b>

<sup>6</sup> Heidrick and Struggles (2014)

<sup>7</sup> OECD (2015)

France	<b>50%</b>
Germany	<b>1</b>
Greece	<b>2</b>
Hong Kong, China	<b>3 and 33%</b>
Hungary	<b>50%</b>
Iceland	<b>50%</b>
India	<b>33%</b>
Indonesia	<b>30%</b>
Ireland	<b>50%</b>
Israel	<b>2</b>
Italy	<b>2</b>
Japan	<b>1</b>
<i>Mauritius</i>	<b>40%<sup>8</sup></b>
Mexico	<b>25%</b>
Netherlands	<b>All -1</b>
Norway	<b>50%</b>
Poland	<b>2</b>
Portugal	<b>25%</b>
Saudi Arabia	<b>33%</b>
Singapore	<b>50%</b>
Slovenia	<b>50%</b>
Spain	<b>33% and 3</b>
Sweden	<b>50%</b>
Switzerland	<b>50%</b>
Turkey	<b>33% and 2</b>
United Kingdom	<b>50%</b>
United States	<b>50%</b>

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<sup>8</sup> Banks only



Table 2.5: Independent directors on a board – maximum term of office <sup>9</sup>

Country	Board independence requirements – maximum term of office (years)
Argentina	5
Denmark	12
Estonia	10
France	12
Greece	12
Hong Kong, China	9
Iceland	7
India	10
Indonesia	10
Ireland	9
Israel	9
Italy	9
Luxembourg	12
<i>Mauritius</i>	<i>6<sup>10</sup></i>
Poland	12
Portugal	8
Singapore	9
Slovak Republic	15
Spain	12
Switzerland	6
Turkey	6
United Kingdom	9

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<sup>9</sup> OECD (2015)

<sup>10</sup> Banks only

Table 2.6: Substantial shareholding definitions <sup>11</sup>

Country	Board independence requirements – substantial shareholding
Argentina	<b>15%</b>
Australia	<b>5%</b>
Belgium	<b>10%</b>
Chile	<b>10%</b>
Denmark	<b>50%</b>
Finland	<b>10%</b>
France	<b>10%</b>
Hong Kong, China	<b>10%</b>
Iceland	<b>10%</b>
India	<b>2%</b>
Indonesia	<b>20%</b>
Israel	<b>5%</b>
Korea	<b>10%</b>
Luxembourg	<b>10%</b>
<i>Mauritius</i>	<i>5% <sup>12</sup>Listing Rules</i>
Netherlands	<b>10%</b>
Poland	<b>5%</b>
Saudi Arabia	<b>5%</b>
Singapore	<b>10%</b>
Spain	<b>3%</b>
Sweden	<b>10%</b>
Turkey	<b>5%</b>

## 2.5 Gender

Gender diversity on boards in Mauritius is very low.

- The World Bank (2010) has stated that for listed companies: “Fewer than 2% of directors are currently women.” (p.35)
- The 2009 Survey of corporate governance practices commissioned by the NCCG indicated that boards “lack diversity, be it in terms of age, gender, qualifications or ethnic origin.”
- The Ibrahim Index of African Governance (IIAG) <sup>13</sup> ranks Mauritius at 14th out of 52 African countries in terms of gender participation. This is the lowest sub score ranking that Mauritius has on the Index.

<sup>11</sup> OECD (2015)

<sup>12</sup> Listing Rules

<sup>13</sup> Mo Ibrahim Foundation (2014)

Table 2.7: Board seats held by women by country<sup>14</sup>

Country	% Board Seats
Norway	40.5
Sweden	27.0
Finland	26.8
UK	20.7
France	18.3
Denmark	17.2
South Africa	17.1
Netherlands	17.0
USA	16.9
Israel	16.6
Germany	14.1
Poland	13.6
Turkey	12.7
Australia	12.3
Canada	12.1
Austria	11.3
Switzerland	10.0
Thailand	9.7
Hong Kong	9.6
Spain	9.5
Belgium	9.2
Ireland	8.7
Italy	8.2
China	8.1
Singapore	7.9
Malaysia	7.8
Brazil	7.7
New Zealand	7.5
Greece	7.0
Indonesia	6.0
Mexico	5.8
Russia	4.8
India	4.7
Taiwan	4.4
Portugal	3.7
Chile	2.8
<i>Mauritius</i>	<i>2</i>
S Korea	1.9
Oman	1.8
Kuwait	1.7
Bahrain	1.7
UAE	1.2
Japan	1.1

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<sup>14</sup> Catalyst (2014)

Table 2.8: Gender targets in Europe (2013) <sup>15</sup>

Country	Quota / Target	Expected date	Current
France	<b>40%</b>	<b>2017</b>	<b>25%</b>
Norway	<b>40%</b>	<b>2008</b>	<b>39%</b>
Spain	<b>40%</b>	<b>2015</b>	<b>13%</b>
Belgium	<b>33%</b>	<b>2017</b>	<b>15%</b>
Netherlands	<b>30%</b>	<b>2015</b>	<b>19%</b>
United Kingdom	<b>25%</b>	<b>2015</b>	<b>18%</b>
Italy	<b>20%</b>	<b>2013</b>	<b>11%</b>

## 2.6 Age

The average age of European board directors is 58. Senior board roles tend to be held by older directors with the average for Chairman (64), Senior Independent Director (62) and Deputy Chairs (62). Non-executive directors, executive directors and CEOs tend to be in their mid-50s: 57, 53 and 54 respectively. <sup>16</sup>

The average age of directors in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

## 2.7 International diversity

Overall, European boards are becoming more international in their mix, with non-national directors now making up 30% of the director pool. <sup>17</sup>

The international diversity of directors in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

## 2.8 Committees

The European average number of committees in European companies is 3.4. The UK has 4.4 board committees.

Audit, Remuneration and Nomination committees are the most common committees but, increasingly, boards are adding Strategy (in France 65% of boards have a Strategy committee) Governance and Risk to their list of committees. <sup>18</sup>

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<sup>15</sup> Heidrick and Struggles (2014)

<sup>16</sup> Heidrick and Struggles (2014)

<sup>17</sup> Heidrick and Struggles (2014)

<sup>18</sup> Heidrick and Struggles (2014)

## Audit committees

According to the 2009 NCCG Survey, 84% of companies surveyed have established an audit committee.

Table 2.9: Audit committee <sup>19</sup>

Country	Establishment	Chair independence	Minimum number or ratio of independent directors
Argentina	<b>L</b>		<b>66%</b>
Australia	<b>R</b>	<b>C</b>	<b>50%</b>
Austria	<b>L</b>	<b>L</b>	<b>1 or 2</b>
Belgium	<b>L</b>		
Brazil	<b>C</b>	<b>C</b>	<b>100%</b>
Canada	<b>L</b>	<b>L</b>	<b>100%</b>
Chile	<b>L</b>	<b>L</b>	<b>50%</b>
Denmark	<b>L</b>	<b>L</b>	<b>50%</b>
Estonia	<b>L</b>		
Finland	<b>C</b>	<b>C</b>	<b>100%</b>
France	<b>L</b>		<b>66%</b>
Germany	<b>L</b>	<b>C</b>	<b>1</b>
Greece	<b>L</b>	<b>L</b>	<b>50%</b>
Hong Kong, China	<b>R</b>	<b>R</b>	<b>50%</b>
Hungary	<b>L</b>	<b>L</b>	<b>50%</b>
Iceland	<b>L</b>		<b>50%</b>
India	<b>L</b>	<b>R</b>	<b>66%</b>
Indonesia	<b>L</b>	<b>L</b>	<b>1</b>
Ireland	<b>L</b>	<b>C</b>	<b>1</b>
Israel	<b>L</b>	<b>L</b>	<b>50%</b>
Italy	<b>L</b>	<b>L</b>	<b>100%</b>
Japan	<b>L</b>		<b>50%</b>
Korea	<b>L</b>	<b>L</b>	<b>66%</b>
Luxembourg	<b>C</b>		<b>50%</b>
Mexico	<b>L</b>	<b>L</b>	<b>100%</b>
Netherlands	<b>L</b>		<b>All - 1</b>
New Zealand	<b>R</b>	<b>R</b>	<b>50%</b>
Norway	<b>L</b>		<b>50%</b>
Poland	<b>L</b>		
Portugal	<b>L</b>		<b>50%</b>
Saudi Arabia	<b>L</b>		
Singapore	<b>L</b>	<b>L</b>	<b>50%</b>
Slovak Republic	<b>L</b>		<b>50%</b>
Slovenia	<b>L</b>	<b>C</b>	<b>100%</b>
Spain	<b>L</b>	<b>L</b>	<b>50%</b>
Sweden	<b>L</b>		<b>50%</b>
Switzerland	<b>C</b>	<b>C</b>	<b>100%</b>
Turkey	<b>L</b>	<b>L</b>	<b>100%</b>
United Kingdom	<b>C</b>	<b>C</b>	<b>100%</b>
United States	<b>L</b>	<b>L</b>	<b>100%</b>

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code

<sup>19</sup> OECD (2015)

## Nomination committees

Table 2.10: Nomination committee <sup>20</sup>

Country	Establishment	Chair independence	Minimum number or ratio of independent directors
Argentina	<b>C</b>	<b>C</b>	<b>66%</b>
Australia	<b>C</b>	<b>C</b>	<b>50%</b>
Austria	<b>C</b>		
Belgium	<b>C</b>		<b>50%</b>
Brazil	<b>C</b>	<b>C</b>	<b>100%</b>
Canada	<b>C</b>	<b>C</b>	<b>100%</b>
Denmark	<b>C</b>		<b>50%</b>
Finland	<b>C</b>		<b>50%</b>
France	<b>C</b>		<b>50%</b>
Germany	<b>C</b>	<b>C</b>	<b>100%</b>
Greece	<b>C</b>	<b>C</b>	<b>1</b>
Hong Kong, China	<b>C</b>	<b>C</b>	<b>50%</b>
Hungary	<b>L / C</b>		<b>50%</b>
Iceland	<b>C</b>		<b>50%</b>
India	<b>L</b>	<b>L</b>	<b>50%</b>
Indonesia	<b>L</b>	<b>L</b>	<b>1</b>
Ireland	<b>C</b>	<b>C</b>	<b>50%</b>
Italy	<b>C</b>		<b>50%</b>
Japan	<b>L</b>		<b>50%</b>
Korea	<b>C</b>	<b>C</b>	<b>50%</b>
Luxembourg	<b>C</b>		<b>50%</b>
Netherlands	<b>C</b>	<b>C</b>	<b>All - 1</b>
New Zealand	<b>C</b>		<b>50%</b>
Norway	<b>C</b>		<b>50%</b>
Portugal	<b>C</b>		
Saudi Arabia	<b>L</b>		
Singapore	<b>C</b>	<b>C</b>	<b>50%</b>
Slovak Republic	<b>C</b>		
Slovenia	<b>C</b>	<b>C</b>	<b>100%</b>
Spain	<b>C</b>	<b>C</b>	<b>50%</b>
Sweden	<b>C</b>		<b>50%</b>
Switzerland	<b>C</b>		<b>50%</b>
Turkey	<b>L</b>	<b>L</b>	<b>1</b>
United Kingdom	<b>C</b>		<b>50%</b>
United States	<b>R</b>	<b>R</b>	<b>100%</b>

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code

<sup>20</sup> OECD (2015)

## Remuneration committees

According to the 2009 NCCG Survey, 70% of companies surveyed have established a remuneration committee.

Table 2.11: Remuneration committee<sup>21</sup>

Country	Establishment	Chair independence	Minimum number or ratio of independent directors
Argentina	C		66%
Australia	C	C	50%
Austria	C		50%
Belgium	L		50%
Brazil	C		100%
Canada	C	C	100%
Chile	C		66%
Denmark	C		50%
Finland	C		50%
France	C		50%
Greece	C	R	50%
Hong Kong, China	R	R	50%
Hungary	C		50%
Iceland	C		50%
India	L	L	50%
Indonesia	L	LR	1
Ireland	C	C	100%
Israel	L	L	50%
Italy	C	C	50%
Japan	L		50%
Korea	C	C	100%
Luxembourg	C		
Mexico	C	C	100%
Netherlands	C	C	All - 1
New Zealand	C		
Norway	C	C	100%
Portugal	C	C	100%
Saudi Arabia	L		
Singapore	C	C	50%
Slovak Republic	C	C	100%
Slovenia	C	C	100%
Spain	C	C	50%
Sweden	L	C	All except chair
Switzerland	L	C	100%
Turkey	L	L	1
United Kingdom	C	C	3
United States	L	L	100%

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code

<sup>21</sup> OECD (2015)

## Risk committees

According to the 2009 NCCG Survey, 51% of companies surveyed have established a board-level risk committee.

Table 2.12: Risk committee <sup>22</sup>

Country	Establishment
Argentina	C
Australia	C
Chile	R
India	R
Indonesia	C
Italy	C
Turkey	L

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code

## Principle 3: Appointment Procedures

*There should be a formal, rigorous and transparent procedure 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 office officeholders.*

### 3.1 Nomination Process

Director nomination practices Mauritius have been noted as being closed and non-transparent.

- The 2009 Survey of corporate governance practices commissioned by the NCCG notes that “contestation by minority shareholders of election of a Director’s on the Board seems to be very rare in companies responding to the survey, with only 2% mentioning such an event.”
- The World Bank (2010) has identified that “Minority shareholders have little influence on board appointment. Nominating outside board members is generally considered by outsiders to be difficult and not transparent.” (p4)

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<sup>22</sup> OECD (2015)



### 3.2 Board tenure

European board directors are serving 6.1 years on average Belgium tops the table with 7.8 years, while Norway and Poland see directors serving on average for 4.6 years.<sup>23</sup> The average tenure of directors on boards in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

*Table 3.1: Tenure of directors*<sup>24</sup>

Country	Maximum term of office
Argentina	<b>3 years</b>
Australia	<b>3 years</b>
Austria	<b>5 years</b>
Belgium	<b>6 years</b>
Brazil	<b>2 years (Code)</b>
Canada	<b>No maximum</b>
Chile	<b>3 years</b>
Denmark	<b>1 year (Code)</b>
Estonia	<b>5 years</b>
Finland	<b>1 year (Code)</b>
France	<b>4 years (Code)</b>
Germany	<b>5 years</b>
Greece	<b>4 years (Code)</b>
Hong Kong, China	<b>3 years (Code)</b>
Hungary	<b>No maximum</b>
Iceland	<b>No maximum</b>
India	<b>3 years</b>
Indonesia	<b>5 years</b>
Ireland	<b>No maximum</b>
Israel	<b>No maximum</b>
Italy	<b>3 years</b>
Japan	<b>1 year</b>
Korea	<b>3 years</b>
Luxembourg	<b>No maximum</b>
Mauritius	<b>No maximum</b>
Mexico	<b>No maximum</b>
Netherlands	<b>4 years (Code)</b>
New Zealand	<b>No maximum</b>
Norway	<b>2 years (Code)</b>
Poland	<b>5 years</b>
Portugal	<b>4 years</b>
Saudi Arabia	<b>3 years</b>
Singapore	<b>3 years (Code)</b>
Slovak Republic	<b>No maximum</b>
Slovenia	<b>6 years</b>
Spain	<b>5 years</b>
Sweden	<b>1 year</b>
Switzerland	<b>1 year</b>
Turkey	<b>3 years</b>
United Kingdom	<b>1 year (Code)</b>
United States	<b>3 years</b>

<sup>23</sup> Heidrick and Struggles (2014)

<sup>24</sup> OECD (2015)

### 3.3 Director commitment

In Europe 11% of directors hold 3 or more NED roles. In Switzerland 28% of directors hold 3 or more NED roles, while in Spain and Poland the proportion drops to 1%.<sup>25</sup>

The number of directorships held per director in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

## 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. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information strategy, 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.*

### 4.1 Overall

- The Global Competitiveness Index <sup>26</sup> ranks Mauritius in the second quartile at 37<sup>th</sup> out of 144 countries in terms of ethical behaviour of firms.
- The Ibrahim Index of African Governance (IIAG) <sup>27</sup> ranks Mauritius at 2nd out of 52 African countries in terms of accountability.

### 4.2 Related Party Transactions

Related party transactions are becoming more important within corporate governance frameworks. Table 4.1 lists the current international practices in this area.

**Table 4.1: Related party transactions** <sup>28</sup>

Country	Board approval for individual related party transactions	Board approval for non-routine related party transactions
Argentina	<b>Required</b>	<b>Required</b>
Australia	<b>Required</b>	<b>Required</b>
Austria		<b>Required</b>
Belgium		<b>Required</b>
Canada	<b>Required</b>	<b>Required</b>
Chile	<b>Required</b>	<b>Required</b>

<sup>25</sup> Heidrick and Struggles (2014)

<sup>26</sup> World Economic Forum (2014)

<sup>27</sup> Mo Ibrahim Foundation (2014)

<sup>28</sup> OECD (2015)

Estonia	<b>Required</b>	<b>Required</b>
France	<b>Required</b>	<b>Required</b>
Hong Kong, China	<b>Required</b>	<b>Required</b>
Hungary		<b>Required</b>
India	<b>Required</b>	<b>Required</b>
Indonesia	<b>Required</b>	
Ireland	<b>Required</b>	<b>Required</b>
Israel	<b>Required</b>	<b>Required</b>
Italy	<b>Required</b>	<b>Required</b>
Japan		<b>Required</b>
New Zealand	<b>Required</b>	
Norway	<b>Required</b>	<b>Required</b>
Portugal		<b>Required</b>
Saudi Arabia	<b>Required</b>	<b>Required</b>
Singapore	<b>Required</b>	<b>Required</b>
Sweden	<b>Required</b>	
Turkey	<b>Required</b>	<b>Required</b>
United Kingdom	<b>Required</b>	
United States	<b>Required</b>	<b>Required</b>

### 4.3 Board evaluation

Board evaluations are also becoming more important within international corporate governance frameworks.

- The World Bank (2010) has stated that: “In practice, board evaluations [in Mauritius] appear to be relatively rare; according to the 2009 NCCG survey, only 42 percent of companies reported that they had appraised the performance of either the Board/Sub-Committees or Management.” (p38)
- In Europe board evaluations and reviews are becoming very common. 78% of European boards have undergone some form of evaluation since 2011. On average, 70% of boards undertake a formal review annually – this figure is higher in the United Kingdom (100% undergoing an evaluation on an annual basis), Sweden (87%) and Finland (81%). One in six boards across the region report that they currently do not undergo any type of performance evaluation. Evaluating the board is most likely to be the responsibility of the Chairman (41%). Evaluating the Chairman is more likely to be the responsibility of other board members (53%). Evaluating the CEO is more likely to be the responsibility of the Chairman (30%) and/or other board members (52%). 21% of boards that conduct annual evaluations use external facilitators or consultants. A third of boards never use external consultants. Methods vary: 78% of boards use questionnaires, 65% use open discussions 54% use one-to-one interviews of directors.<sup>29</sup>

### 4.4 Remuneration disclosure

The remuneration policy disclosure practice in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

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<sup>29</sup> Heidrick and Struggles (2014)

Table 5.1: Disclosure of the remuneration policy <sup>30</sup>

Country	Disclosure	Approval by shareholders
Argentina	<b>L</b>	<b>SoP / AA</b>
Australia	<b>L</b>	<b>L (advisory)</b>
Austria	<b>C</b>	<b>SoP / AA</b>
Belgium	<b>L</b>	<b>L (advisory)</b>
Brazil	<b>L</b>	<b>L (binding)</b>
Canada	<b>L</b>	<b>C (advisory)</b>
Chile		<b>L (binding)</b>
Denmark	<b>C</b>	<b>C (advisory)</b>
Finland	<b>C</b>	<b>C (binding)</b>
France	<b>C</b>	<b>C (advisory)</b>
Germany	<b>C</b>	<b>C (advisory)</b>
Greece		<b>L (binding)</b>
Hong Kong, China	<b>R</b>	
Hungary		<b>L (binding)</b>
Iceland		<b>L (binding)</b>
India	<b>L/R</b>	
Indonesia	<b>L</b>	<b>C (advisory)</b>
Ireland	<b>R</b>	
Israel	<b>L</b>	<b>L (binding)</b>
Italy	<b>L</b>	<b>L (advisory)</b>
Japan	<b>L</b>	<b>SoP / AA</b>
Korea	<b>L</b>	<b>L (binding)</b>
Luxembourg		<b>SoP / AA</b>
Mexico	<b>L</b>	
Netherlands	<b>L</b>	<b>L (binding)</b>
New Zealand	<b>L</b>	
Norway	<b>L</b>	<b>L (binding)</b>
Portugal	<b>C</b>	<b>L (binding)</b>
Saudi Arabia	<b>L</b>	
Singapore	<b>C</b>	
Slovak Republic	<b>C</b>	
Slovenia	<b>L</b>	<b>SoP / AA</b>
Spain		<b>L (advisory)</b>
Sweden		<b>L (binding)</b>
Switzerland	<b>R</b>	<b>C (advisory)</b>
Turkey	<b>L</b>	<b>SoP / AA</b>
United Kingdom	<b>L</b>	<b>L (binding)</b>
United States	<b>L</b>	<b>L (advisory)</b>

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code  
SoP / AA = choice between shareholder approvals or articles of association

The remuneration level / amount disclosure practice in Mauritius is not known. It is recommended that further research on Mauritian practices takes place.

Table 5.2: Disclosure of the level / amount of remuneration <sup>31</sup>

<sup>30</sup> OECD (2015)

<sup>31</sup> OECD (2015)

Country	Total Disclosure	Individual disclosure	Approval by shareholders
Argentina	L	All directors	SoP / AA
Australia	L	Top 5	
Austria	C	All members of the management board	SoP / AA
Belgium	L	L	L (advisory)
Brazil	L	Highest and lowest paid directors	L (binding)
Canada	L	L	C (advisory)
Chile			L (binding)
Denmark	L		L
Finland	C	CEO and top management	L
France	L	L	L (total)
Germany	L	L	L (advisory)
Greece	L		L (binding)
Hong Kong, China	R	5 highest paid	
Iceland	L	L	L (binding)
India			L (binding)
Indonesia	L	L	C (advisory)
Ireland		R	
Israel	L	Top 5	L (binding)
Italy	L	L	L (advisory)
Japan	L	Above JPY 100 million	SoP / AA
Korea	L		L (total)
Luxembourg			L
Mexico	L		L
Netherlands	L	L/C	L or AA
New Zealand	L	Above NZD 100,000	
Norway	L		L (binding)
Poland	L		
Portugal	C		L (binding)
Saudi Arabia	L	All directors and top 5 executives	
Singapore	C	All directors, CEO and top 5 executives	
Slovak Republic	C		C
Slovenia	L	L	
Spain	L	L	L (binding)
Sweden	L	All directors and CEO	L (binding)
Switzerland	L	All directors and CEO	L (binding)
Turkey	C	All directors	L (binding)
United Kingdom	L	All directors	L (advisory)
United States	L	All directors and CEO, CFO & 3 executive officers	L (advisory)

L = Requirement by law or regulations R = Requirement by the listing rule C = Recommendation by the code  
SoP / AA = choice between shareholder approvals or articles of association

## Principle 5: Risk Governance and Internal Control

*The board should be responsible for risk governance and should ensure that the organisation develop and execute a comprehensive and robust system of risk*

*management. The board should ensure the maintenance of a sound internal control system.*

### **5.1 Overall**

Little is currently known about enterprise risk management practices in Mauritius. It is recommended that further research on Mauritian practices takes place.

### **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.*

### **6.1 Overall**

The Global Competitiveness Index <sup>32</sup> ranks Mauritius at 25<sup>th</sup> out of 144 countries in terms of strength of auditing and reporting standards.

The Financial Reporting Council are responsible for monitoring the quality of reporting in Mauritius.

A number of organisations in Mauritius are at the leading edge of corporate reporting. Winners of the Corporate Reporting Awards for 2015 were: The Mauritius Commercial Bank Ltd; Air Mauritius Limited; Terra Mauricia Ltd and Omnicane Limited.

### **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 maintain an appropriate relationship with the organisation's internal and external auditors.*

### **Principle 8: Relations with Shareholders and Other Key Stakeholders**

*The board should be responsible for ensuring that an appropriate dialogue take 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.*

### **8.1 Overall**

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<sup>32</sup> The Global Competitiveness Report 2014-15 Index, World Economic Forum

- The Global Competitiveness Index <sup>33</sup> ranks Mauritius at 18<sup>th</sup> out of 144 countries in terms of protection of minority shareholder interests.
- The World Bank Group <sup>34</sup> ranks Mauritius at 28<sup>th</sup> out of 189 countries in terms of protecting minority shareholders (a fall of 2 places since last year).
- The Global Competitiveness Index <sup>35</sup> ranks Mauritius at 12<sup>th</sup> out of 144 countries in terms of strength of investor protection.

*Table 9.1: Minimum notification of AGM to shareholders* <sup>36</sup>

Country	Minimum notification of AGM to shareholders
Denmark	<b>8 days</b>
New Zealand	<b>10 days</b>
<b>Mauritius</b>	<b>14 days</b>
Singapore	<b>14 days</b>
Japan	<b>2 weeks</b>
Korea	<b>2 weeks</b>
Brazil	<b>15 days</b>
France	<b>15 days</b>
Mexico	<b>15 days</b>
Spain	<b>15 days</b>
Belgium	<b>15 days</b>
Luxembourg	<b>16 days</b>
Hong Kong, China	<b>20 days</b>
Chile	<b>20 days</b>
Greece	<b>20 days</b>
Switzerland	<b>20 days</b>
Argentina	<b>20 days</b>
Iceland	<b>21 days</b>
India	<b>21 days</b>
Indonesia	<b>21 days</b>
Ireland	<b>21 days</b>
Israel	<b>21 days</b>
Norway	<b>21 days</b>
Poland	<b>21 days</b>
Portugal	<b>21 days</b>
United Kingdom	<b>21 days</b>
Canada	<b>21 days</b>
Estonia	<b>3 weeks</b>
Finland	<b>3 weeks</b>
Turkey	<b>3 weeks</b>
Saudi Arabia	<b>25 days</b>
Australia	<b>28 days</b>
Austria	<b>28 days</b>
Sweden	<b>4 weeks</b>
Czech Republic	<b>30 days</b>
Germany	<b>30 days</b>
Hungary	<b>30 days</b>

<sup>33</sup> World Economic Forum (2014)

<sup>34</sup> World Bank Group (2015)

<sup>35</sup> World Economic Forum (2014)

<sup>36</sup> OECD (2015)

Italy	<b>30 days</b>
Slovak Republic	<b>30 days</b>
Slovenia	<b>30 days</b>
United States	<b>40 days</b>
Netherlands	<b>42 days</b>

Table 9.2: Shareholder rights <sup>37</sup>

Country	Minimum shareholding % to request the convening of a shareholder meeting	Minimum shareholding % to place an item on the agenda of a shareholder meeting
Argentina	<b>5</b>	<b>5</b>
Australia	<b>5</b>	<b>5 or 100 sh</b>
Austria	<b>5</b>	<b>5</b>
Belgium	<b>20</b>	<b>3</b>
Brazil	<b>5</b>	
Canada	<b>5</b>	<b>1</b>
Chile	<b>10</b>	<b>1</b>
Denmark	<b>5</b>	
Estonia	<b>10</b>	<b>10</b>
Finland	<b>10</b>	
France	<b>5</b>	<b>5</b>
Germany	<b>5</b>	<b>5</b>
Greece	<b>5</b>	<b>5</b>
Hong Kong, China	<b>5</b>	<b>2.5 or 50 sh</b>
Hungary	<b>5</b>	<b>1</b>
Iceland	<b>5</b>	
India	<b>10</b>	<b>5 or 100sh</b>
Indonesia	<b>10</b>	<b>5</b>
Ireland	<b>5</b>	<b>3</b>
Israel	<b>5</b>	<b>1</b>
Italy	<b>5</b>	<b>2.5</b>
Japan	<b>3</b>	<b>1</b>
Korea	<b>3</b>	<b>3</b>
Luxembourg	<b>10</b>	<b>5</b>
Mauritius	<b>5</b>	
Mexico	<b>10</b>	<b>10</b>
Netherlands	<b>10</b>	<b>3</b>
New Zealand	<b>5</b>	
Norway	<b>5</b>	
Poland	<b>5</b>	<b>5</b>
Portugal	<b>5</b>	<b>2</b>
Saudi Arabia	<b>5</b>	<b>5</b>
Singapore	<b>10</b>	<b>5</b>
Slovak Republic	<b>5</b>	
Slovenia	<b>5</b>	<b>5</b>
Spain	<b>5</b>	<b>5</b>
Sweden	<b>10</b>	
Switzerland	<b>10 or CHF 1 million</b>	<b>10 or CHF 1 million</b>

<sup>37</sup> OECD (2015)



Turkey	5	5
United Kingdom	5	5 or 100 sh with more than £10,000
United States	10	1

Table 9.3: Role of Institutional Investors <sup>38</sup>

	Disclosure of voting policy	Disclosure of voting	Disclosure of conflict of interest policy
Argentina	<b>Required</b>	<b>Required</b>	<b>Required</b>
Australia	<b>Required</b>	<b>Required</b>	
Belgium	<b>Required</b>		
Brazil	<b>Required</b>	<b>Required</b>	
Chile	<b>Required</b>	<b>Required</b>	<b>Required</b>
Finland	<b>Required</b>		
France	<b>Required</b>	<b>Required</b>	
Germany	<b>Required</b>		
Hong Kong, China			<b>Required</b>
Hungary			<b>Required</b>
India	<b>Required</b>	<b>Required</b>	
Israel	<b>Required</b>	<b>Required</b>	<b>Required</b>
Italy	<b>Required</b>		
Portugal	<b>Required</b>	<b>Required</b>	
Slovak Republic	<b>Required</b>		
Spain		<b>Required</b>	
Sweden	<b>Required</b>		
Switzerland		<b>Required</b>	
United States	<b>Required</b>	<b>Required</b>	<b>Required</b>

<sup>38</sup> OECD (2015)