

SIFB Info

Content

Issue 2
April 2017

Message from the Editorial Committee	2
Base all your actions on morality	3
The National Code: CORPORATE GOVERNANCE- What 's new? What's different?	5
Mother's and Father's Day	9
The Labour Day	10
Conclusion	12



Message from the Editorial Committee

Dear colleagues we are presenting to you our second issue of this electronic newsletter April 2017. It is really a blessing to receive some articles that presently bring more awareness to the readers. The truth is divine. Similarly when going through the article "Base all your actions on morality", one will surely feel that it is a wakeup call for the humanity and it brings us back to the source. It will also drift the readers to a better way of thinking and become more conscious of their every action. Henceforth, it is the torch guiding us towards the divine within us who overshadows all negativities such as ego, war, selfishness, greediness and other disillusionment. While walking on the path of righteousness it sprouts oneness leading to solace and love in life.

Furthermore, bringing to your attention is another informative article about The National code 2016 – Cooperate Governance. The need of revising the code 2003 and implementing the code 2016 which will take effect in July 2017 has been outlined in the article due to various reasons. Moreover, focus is laid on the difference between the two, and it also shed lights on the eight principles of the new code and how it will affect the Board of Directors in the dealings with the stakeholders.

The two upcoming months are very special to us as we always celebrate the Mother's day on the last Sunday in May and Father's day on the first Sunday in June. Our parents must be revered for we owe them all the breathe we take. Parents are God to us. Both parents have a common goal in mind that is the wellbeing of their children. In this context, a tribute is paid to them in this issue by highlighting the love, patience, sacrifice of both parents for their children.

Labour Day is celebrated on the first of May and a brief history in remembrance for all workers has been incorporated. Finally it is necessary to point out for the very first time all employees who reached the milestone 35 years of service were rewarded by the Chairman of Board Mr V. Lochun and the CEO Dr R. Jugurnath by presenting a shield to all of them for their long years of service in dedication to SIFB.

We sincerely hope that these articles will be of great assistance to all of you be it in your personal and professional life.

BASE ALL YOUR ACTIONS ON MORALITY

Good and bad conducts are present in many people but will not be apparent to others. The results of each one's good and bad deeds, however, will be reflected in each one's future life. Man's waking life begins everyday with sunrise and closes when he goes to sleep. This is the pattern for all beings and in the process man attempts to discover the purpose of life. The sun rises in the east and sets in the west and on this basis the other directions, north and south, are determined. Similarly, on the basis of sun's appearance and absence, day and night are experienced. The different seasons are also based on the apparent movement of the sun.

Do not Get Deluded by External Appearances

This is the ordinary experience of man in daily life. When this matter is seen from a different viewpoint, on the recognition of the fact that the earth is a globe revolving round the sun, neither sunrise nor sunset nor east and west have any reality. The real truth is one thing and what is apparent from experience is another. When you are going in a bus, you are moving with the bus though you seem to be in the same place. Likewise, although the earth is revolving at the rate of several hundred miles per minute, people are not conscious of its movement. They feel that the earth is stationary and they are making all movements. Even scientists, who know the truth, behave on the basis of their daily experience and not on the basis of the deeper reality. They know that neither sunrise nor sunset nor east and west have any basis in reality. But they regard them as facts of life. Likewise, our daily life is based on the apparent facts of day-to-day experience. Days and nights, weeks and

months, changing seasons and yearly rounds are all based on these recurring experiences. The science of astrology is based on these recurring phenomena relating to the movements of the sun, the moon, the planets, etc.

We should not go by what is apparent and external. Where, in reality, there is one, it appears to us as two. One is human and the other is Divine. Human is preoccupied with all that is external. This is the sign of forgetfulness. To turn the vision inward is real awareness. It reveals Divinity. Divinity can be realised only by sacrifice. Sacrifice is a supreme virtue in man. One who has no spirit of sacrifice will be sick in body and mind. What sacrifice does to a man is to eradicate his selfishness. As long as self-interest is dominant, one cannot understand reality. The self-centered man cannot attain the Supreme. Hence, we must cultivate a broad mind and seek to serve our fellow-beings who need help.

Love is the Basis for everything

To understand the true meaning of Self-realisation, the first step is to grasp the significance of love principle. For everything, love is the basis, the cause and the consummation. If there is no love, there is no life. When love is developed, anger automatically ceases. When you feel angry, sit down with a hearty laugh. Limit your speech. Too much talk leads to heated exchange of words.

The lesson to be learnt is the cultivation of peace by keeping anger under check and developing love for all. The values a man must cherish as his life-breath are: truth, righteousness, peace, love and non-violence. Of these five vital princi-

ples, love is the foremost. It is love that flows as the undercurrent of the other four values. How does it flow this way? When love is associated with feelings, it produces peace. When love animates actions, it results in righteousness. When love is combined with understanding, it becomes non-violence. Therefore, whenever you feel angry, think of love, develop thoughts of love in your heart. You will have peace.

If our clothes get dirty, we change them because we are ashamed to appear in dirty garments. If our house is dirty, we try to clean it so that visitors may not get a bad impression. But when our minds and hearts are polluted, we do not

feel ashamed. Is it not strange that we should be so much concerned about the cleanliness of our clothes or our homes, but are not concerned about the purity of our hearts and minds which affect our entire life?

To purify our hearts and minds, the first thing we have to do is to lead a righteous life. Our actions must be based on morality. Indulging in abuse of others or inflicting pain on them is not a sign of human nature. The evil that we do to others ultimately recoils on us. Auspicious days like New Year should be used for making resolutions to change our ways of life and to purify our behaviour by giving up all bad qualities.

Adapted from an article published in Magazine Sanathan Sarathi of March 2017

THE NATIONAL CODE 2016 CORPORATE GOVERNANCE : What's new? What's different?

What is a Code?

Code of ethics. Code of Conduct. Code of Corporate governance. These terms are often heard and in the corporate arena. The purpose of a code is to serve as a framework for guidance. It can be used to develop and maintain a certain standard in the application of practices, require a way of conduct or compliance to principles, rules and norms.

Why a new Code?

The last code of corporate governance was developed in 2003. There are two strong reasons why it needs to be revised. First there was an urgency to incorporate the latest best international practices that have evolved during the last decade. Secondly, our country has witnessed changes in laws, regulations and guidelines, and the national code needed to be aligned thereto.

In 1992, the Cadbury Committee in UK introduced the first version of a code. It defined corporate governance as “the system by which companies are directed and controlled”. At the time, the main aims were to strengthen control and accountability. The Organisation of Economic Cooperation and Development (OECD) now state the purpose of corporate governance as follows:

“To help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stringer growth and more inclusive societies”

The 2016 New Code

The new code contains a set of 8 principles (see below). The major changes that have been made in the national code are the following:

Methodology. Organisations, institutions, Boards and directors are now required to ‘apply and explain’ how they are applying the principles. In the last code, the requirement was to ‘comply or explain’. This is a departure to the approaches adopted in UK (as from the Cadbury Report 1992) and in South Africa (as from King Codes).

Flexibility. The Code provides greater flexibility in adoption of corporate governance systems and procedures that suit their specific individual context and circumstances, which vary in complexity, size, sector and evolution.

Principles. The last code was rather based on rules of corporate governance. The new code outlines principles of corporate governance. The desired approach is to escape from a rules-based framework, which tended to be mandatory and prescriptive.

Sectorial guidelines. The new Code duly recognizes the differences in corporate governance that are applicable by laws specific to economic sectors.

THE CORPORATE GOVERNANCE PRINCIPLES

Principle 1: Governance Structure

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

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 on-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 organization. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.

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 office holders.

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 organization. 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.

Principle 5: Risk Governance and Internal Control

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

Principle 6: Reporting with Integrity

The Board should present a fair, balanced and understandable assessment of the organisation's performance.

tion's financial, environmental, social and governance position, performance and outlook in its annual report and website.

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.

Principle 8: Relations with Shareholders and Other Key Stakeholders

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

Contents

The new Code is effective as from July 2017. In the early part, it contains a section called 'Generic Guidance'. Then follows guidance notes for different sectors of our economy: the banks, companies listed on the Stock Exchange, unlisted companies (family companies), statutory bodies, groups and subsidiaries, companies holding Category 1 Global Business License and Management Companies. There are also useful examples of a '*Board Charter*', '*Audit Committee Charter*', '*Remuneration Committee Charter*', and '*Nomination Committee Charter*'.

There are examples of '*position statements*' for a Chairperson and a Company Secretary. The other annexes concern '*Letter of appointment of a Non-Executive Director*', '*Director Induction*' and '*A Code of ethics*'. Finally, at Appendix 3 is the '*Score card for Governance Framework and Self-Evaluation*'.

Implications for S.I.F.B

The Members of the Board of Directors of SIFB are required to disclose in what way they are complying with the new Code in its Annual Report and its website. The Board Members, individually and collectively, are expected to demonstrate integrity and fairness and exercise care, skill and diligence, and avoid getting into situations of conflict of interest.

Under the new Code, the various stakeholders (Government, regulatory bodies, employees, trade unions, premium payers and the public) will have the benefit of obtaining greater disclosures of information and assurance of responsible, results-oriented and ethical practices from its Senior Management Team and its Board.

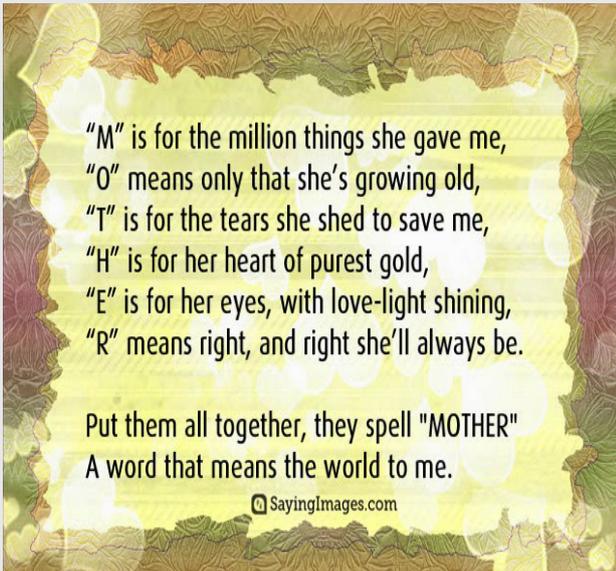
Future impact of the Code

The future outlook of the code looks positive. The previous version of the national code has succeeded in creating a much greater awareness of the subject of corporate governance. There is adequate evidence which point to the positive impact of the last Code in improving the standard and practice of good corporate governance in Mauritius. Obviously, all is not perfect. The changes brought in the new Code are also meant to improve the state of corporate governance at the national level.

As is the case at the international level, several issues remain and more progress is warranted. Who is responsible for failures in corporate governance? What is the role of corporate leaders and the general public? What is the power of regulatory institutions? How can corporate failures be prevented? Is having a code enough to instill faith and trust in big companies and institutions? Is there a way of measuring progress in building inclusiveness and opportunities for all in our society? How do we know a Board is working effectively? How objective is the Board's performance evaluated? How do we

know a Board has the right combination of skills at all times? Is there enough transparency in the way appointments are made in the Board? To what extent are Boards responsible for failures in management of risks? How can Board members prevent failures entailing legal liability? Do Annual Reports still make sense to stakeholders? Have Audit Committees kept their promises? Do stakeholders, other than shareholders, have any say, influence or control on the impact large companies make on society? These concerns are outside the scope of this article.

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In the month of May we will be celebrating Mother's and Father's day. Since school days we have been taught that: ***"The lap of a mother is the greatest university in the world"***.

We all know that it's true, what we are today it's all thanks to her. It's a mother who inculcates good values to her children. She is the one who guides us in the right path, she is the one who makes us realize what is right and what is wrong for us. She is our first teacher in life. Whenever we are in a difficulty our first reflex is to go and seek advice from her and as usual she is always there to solve our problems. We often hurt her but she always forgives us with a smile.

A father plays a very important role in our life. He is the pillar of the house and we all depend on him. A child holds his father's finger to make his first step. A father is a guide, a support and a teacher to his children. A father helps his children to stand on their own feet and to fight for their rights. For a child a father will always be his hero.



Mother and Father

One who loves till you close your eyes, is a *Mother*.

One who loves without an expression in the eyes, is a *Father*.

Mother - Introduces you to the world.

Father - Introduces the world to you.

Mother: Gives you life

Father: Gives you living

Mother: Makes sure you are not starving.

Father: Makes sure you know the value of starving

Mother: Personifies Care

Father: Personifies Responsibility

Mother: Protects you from a fall

Father: Teaches you to get up from a fall.

Mother: Teaches you walking.

Father: Teaches you walk of life

Mother: Teaches from her own experiences.

Father: Teaches you to learn from your own experiences.

Mother: Reflects Ideology

Father: Reflects Reality

Mother's love is known to you since birth.

Father's love is known when you become a Father.

Enjoy what your father says.

Keep loving your mother.



Labour Day

New Zealand was the first country to celebrate Labour Day on 28th October 1890 by marking history in 1840, in fact Samuel Parnell, a carpenter, was successful in obtaining 8-hour day in Wellington at that time. Trade unionists and their supporters paraded on the streets and government employees were granted a day off to participate in the parades.

It is also a symbol for the harshness and atrocities endured by workers in Chicago who were on strike so as to secure 8-hour day, a striker was shot dead by police. Later declared as International Workers' Day, the 1st of May commemorates the 1886 Haymarket massacre in Chicago.

The 1st of May is now officially a public holiday in many countries, with the exception of the U.S., where ironically, the official holiday is in September. U.S., In our country Labour day was celebrated on the 1st of May 1938 for the first time and was decreed as public holiday in 1950 under the British government.

The core objective of the Labour Day is the celebration of the socio-economic achievements of the working class. It is the day to place the labour force on the forefront and thank them for the good work accomplished and in some cases, fight for their cause. It also depicts the struggle of workers who claim their rights on all fronts. Moreover, Labour Day also portrays the emergence of trade unions which help the workers and employers to find a common ground to settle all differences in order to achieve stability, equality on socio economic level and avoid all types of conflict that may deter the workplace democracy and help in maintaining the efficiency of labour at its peak level.

Despite fluctuations in International Trade the trade unions role is to safeguard the interest of employees and ensure that the other stakeholders in turn fulfill the promises made to the workers.

The article below appeared in Le Mauricien by Dasha briefly relates the impact of Labour Day on employees, employers and Trade unions.

“Labour Day is a day of reconciliation, a day where each one of us, employers and employees, can together reflect upon a common destiny. Today, the employee is not a mere obedient follower; through trade unionism, he is an active stakeholder of policy decisions. A collective effort will allow us to always maintain the

balance between profit-making and the larger, more encompassing vision of a society where workers are given their due. After all, the economic success of our country dwells upon the shoulders of our workers' community. It is this human power that has moulded the economic and social destiny of our country. On this small piece of land, social integration of the employers' community is essential to operate as one healthier mechanism for an evolved and better human destiny.

Thanks to the seed of free education, we have now evolved into a services-based economy. I would say, it should not only be workers and officers providing services to the public. Workers should themselves be provided with services that can enable them to deliver better. For instance, why not provide more facilities for mothers at work, in terms of flexible hour shifts? Why not provide sports facilities to workers, from which they can benefit during their breaks or after hours of work? Simple gestures on the part of employers can be an impetus for employees to give their best

Looking back on the 1943 massacre in Mauritius and the 1886 massacre in Chicago, we cannot but ponder over the very essence of the human existence – the happiness of each individual as part of a collective society. This is the very foundation for trade union movements and political parties. Workers' rights and political emancipation are complementary in this dynamic process of human evolution. The caveman was happy hunting for his food. But in today's highly competitive and ever-evolving society, the very con-

cept of what is a need and what is a want for Man has become so much complex. Whichever way we go, we however come back to one basic point: the distribution of wealth and resources has to be equitable, and this is possible only if each worker's added value is recognised. All labour struggles germinate from this seed of the quest of equal opportunities for all."

Most of the trade unions aim at the following:

- Optimal use of resources, especially labour, land and natural resources; Increasing absorption of the labour force into productive employment and income-generating activities; Improving social welfare of the majority;
- Upgrading the competitiveness of the economy so that it can withstand "external shocks";
- Diversifying the economy and creating value chains;
- Effecting institutional and legal changes to facilitate economic development;
- Promoting a programme of transformation by the state;
- Autonomy and international support to pursue such human-centred development.

History itself is the witness for all the struggles that workers have put together to achieve for their own rights with great support from Trade Unions.

Conclusion

Just imagine living as per jungle's law, how lowly will it be, how degraded human being will become. Simultaneously, it is very important to maintain our composure in life before taking every move. We must always remember that there is no other greater force than the Divine so let us sway by its positivity in engaging ourselves by doing service, being humble and feeling oneness and spreading love to the whole world. With the implementations of new code of ethics in July 2017 there is apparently a hope that there will be lots of transparency through which lots of improvements will be achieved from

which all sectors will benefit. Furthermore, the greatest gift that we can give to our parents is by being grateful and showering our love to them. Labour Day marks the struggle of the workers in the past to fight for their rights. It was a very emotive event when all officers were receiving the shields from the Chairman and the CEO on the 10th March 2017. They are all very grateful for this outstanding act which never happened before at the SIFB.