

# Corporate Governance Report

## governance structure

The company is a public interest entity as defined by the Financial Reporting Act 2004.

The board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. The board supports and is committed to attain and maintain the highest standards of corporate governance, including the principles of openness, integrity and accountability.

The board strives to comply with all the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) (“NCCG”). The company recognises the importance of these principles and practices and views their application as an opportunity to critically review the group structure and processes. As from January 2022, the company has not fully applied all the principles set out in the Code but is currently in the process of implementing the necessary change so as to be fully compliant with all the requirements in the near future. The promotion of good corporate governance values however underlies the organisation’s decisions and actions.

The company’s compliance with the principles of the NCCG is set out in the report.

## board and its committees

### board charter (the “charter”)

The board has adopted a charter which sets out the objectives, roles and responsibilities and composition of the board. The charter should be read in conjunction with the company’s Constitution and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail.

The main objectives of the charter are to:

- define the purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and the group in accordance with the directions and delegations of the board; and
- monitor the ethical conduct of the subsidiary companies, its executives and senior officials.

The charter defines inter alia the roles, functions and objectives of the board, various board committees, the Chairperson, the Managing Director/Chief Executive Officer (CEO) and the Company Secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision making processes within the group.

The charter is available for consultation on the company’s website.

### code of ethics

The group is committed to conduct business in the best interest of all stakeholders in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Code of Ethics which has been approved by the board has been designed to help officers and employees understand their ethical responsibilities as they conduct business on behalf of the group so as to ensure that the company and the group are responsible corporate citizens and that all deliberations and decisions are based on principles of accountability, fairness, responsibility and transparency.

It applies to all subsidiaries of the Caudan group, irrespective of the business segment. Moreover, the Code of Ethics must be read together with the other policies prevailing within the group and any business-specific policies in the applicable area.

The Code of Ethics is reviewed and updated on a periodic basis in order to ensure it stays relevant to the group.

The Code of Ethics is available for consultation on the company’s website.

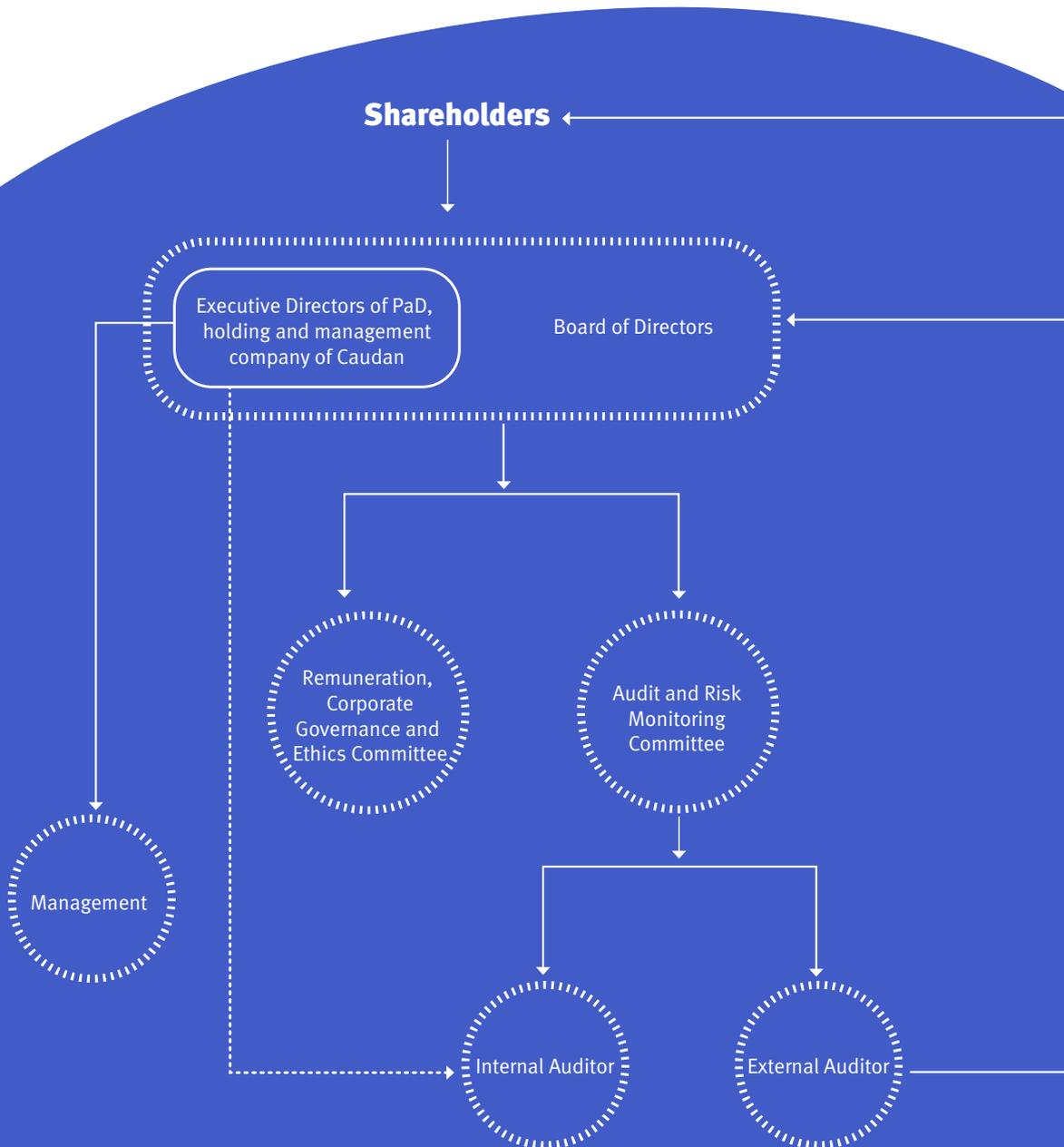
### profiles of key governance officers

The profiles of Mr René Leclézio (retired on December 31st 2021) and Mrs Jocelyne Martin appear in the directors' profiles sections.

### organisation chart and statement of accountabilities

The board is responsible to set general strategies and policies and ensure their implementation with the support of the key senior governance officers. These key governance officers have an experienced professional background. In addition, the board has set up two committees namely the Remuneration, Corporate Governance and Ethics Committee and the Audit and Risk Monitoring Committee.

### structure of the board and its committees



### the board

The board is led by an effective and highly committed unitary board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems. It comprises of an appropriate balance of executive, non-independent non-executive and independent non-executive directors.

### directors' duties and performance

The main role of the board is to protect and enhance shareholder value. It determines the group's direction, monitors its performance, oversees risks and is collectively responsible for the long-term success of the group, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the company and its subsidiaries are managed in such a way as to achieve its objectives.

The board has ultimate responsibility and is accountable for the performance and activities of the company. The role of the board is to set the overall strategy for the group and to supervise executive management and the proper functioning of the company, including inter alia:

- ensuring that the long term interests of the shareholders are being served, and safeguarding the company's assets;
- assessing major risk factors relating to the group and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;
- reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which plans are based and reaching an independent judgement as to the probability that the plans and/or the forecasts can be realized;
- monitoring the performance of the management against budget and forecasts;
- reviewing and approving the acquisition and divestment policy and significant corporate actions and major transactions;
- approving the treasury policy and raising of finance;
- assessing the effectiveness of the board;
- ensuring that good corporate governance policies and practices are developed within the group;
- ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles and the company's own governing documents;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

- performing such other functions as are prescribed by law, or assigned to the board in the company's governing documents.

The board acts in good faith, with due diligence and care, and in the best interests of the company and its shareholders in the course of discharging its duties. It is committed to highest standards of business integrity, transparency and professionalism in all of its activities.

### Conflicts of Interest & Related Party Transactions Policy

The board has adopted a Conflicts of Interest & Related Party Transactions Policy which is applicable to the company and to all its subsidiaries. The objective of this policy is to define the scope of conflicts of interest and related party transactions. This policy is available for consultation on the website of the Company. Directors are required to inform the board of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters.

An interest register is maintained and updated on a quarterly basis and is available for consultation upon written request to the Company Secretary.

### Information, Information Technology and Information Security Governance Policy

The board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the company applies to all the subsidiaries of the group. All policies relating to information security are made accessible to all employees. This policy is available for consultation on the website of the company.

### General Data Protection Privacy Policy

The board is committed to compliance with all relevant laws in respect of personal data, including the European General Data Protection Regulation ('GDPR') and the Mauritian Data Protection Act 2017 ('DPA') for the protection of the rights and freedoms of individuals whose information are collected and processed by the company in the course of its activities. The company is registered as controller with the Data Protection Office. In keeping with the GDPR and the DPA, the Caudan group has endeavoured to reinforce the safety and security measures to protect the personal data it collects, stores and processes. The board has thus approved a General Data Protection Privacy Policy which is available for consultation on the website of the company and has also appointed a Data Protection Officer whose responsibilities include, inter alia, to monitor the implementation of the aforesaid framework for protecting personal data.

### Whistleblowing Policy

The board has approved a whistleblowing policy applicable to all its subsidiaries, its employees and directors, which is made available on the website of the company. This policy aims at providing an avenue for issues to be raised in good faith, concerns of potential breaches of laws, rules, regulations or compliance. The whistleblowing mechanism intends to motivate responsible actions to uphold the group's reputation.

### directors' profiles

#### Jean-Philippe Coulier

##### *Chairperson and non-independent non-executive director*

Holder of a 'Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France). During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was appointed Director of The Mauritius Commercial Bank in 2012 and held the chairmanship from 2014 to 2018. In 2018, he was appointed director and Chairperson of Promotion and Development and Caudan Development. He is also a director of MCB Group, MCB Factors, MCB Microfinance, Fincorp Investment, Constance Hotel Services.

#### René Leclézio

##### *Executive director (up to December 2021)*

BSc (Hons) in Chemical Engineering, Imperial College and MBA, London Business School. Worked as a manager at Lloyds Merchant Bank, London, before joining Promotion and Development as its general manager in 1988. Director of several private and public companies including Promotion and Development (up to December 2021), Medine, EUDCOS and MFD Group.

#### Assad Abdullatiff

##### *Non-independent non-executive director (up to December 2021)*

LLB (Hons) and LLM in Business Law, admitted to the Bar of Mauritius. Founding partner and Managing Director of AXIS Fiduciary. Previously an Assistant Director at the Board of Investment of Mauritius, where he was the Head of the Financial Services Cluster, responsible for the promotion of Mauritius as an International Financial Centre. Member of the Society of Trusts & Estate Practitioners (STEP), past Chairman of the Mauritius branch and appointed as Council member of STEP worldwide in 2017 to represent the Africa/Arabia region. Director of a number of companies in Mauritius operating in diverse economic sectors.

#### Richard Arlove

##### *Non-independent non-executive director (as from December 2021)*

Fellow member of the Association of Chartered Certified Accountants. Founder of Arphilia Consulting, he counts close to 40 years' experience as a professional accountant, business leader, professional entrepreneur and member of the senior leadership team of a global firm. After a 20-year career as a professional accountant in Big Four accounting firms and as general manager of businesses in garment manufacturing and marketing of international brands, he co-founded and was the CEO of ABAX, a regulated financial, corporate and fiduciary services company providing services to international companies and private equity firms doing business primarily in Africa and Asia. On the acquisition of ABAX by Ocorian in 2018, he was appointed Regional Head of Africa, Middle East and Asia and group ExCo member of Ocorian and retired in 2020. Director of IBL, Live-stock Feed and Promotion and Development.

#### Priscilla Balgobin-Bhojru

##### *Independent non-executive director (as from December 2021)*

Senior partner and the chairperson of Dentons Mauritius. She graduated at the London School of Economics and Political Science in 1997, with a LLB (Hons) and has been called both to the Bar of England and Wales at the Middle Temple in 1998 and to the Mauritian Bar in 1999. She has also followed the Authentic Leadership Development Program at Harvard Business School. Priscilla specialises mostly in civil, commercial and industrial law matters. She has a keen interest in the fields of Fintech, Real Estate and ESG (Environment, Social, Governance) matters. Director of Alteo.

#### Bertrand de Chazal

##### *Non-independent non-executive director*

Fellow member of the Institute of Chartered Accountants of England and Wales and Commissaire aux Comptes. Worked during his career with Touche Ross, Paris and West Africa; retired as senior financial analyst of the World Bank. Director of Promotion and Development, MCB Equity Fund and MCB Capital Markets.

#### Catherine Fromet de Rosnay

##### *Non-independent non-executive director*

Director at LEGIS & Partners, a law firm registered under the Law Practitioners Act. Holds a 'Magistère de Juriste d'Affaires' and 'Diplôme de Juriste et Conseil d'Entreprise (D.J.C.E)' from the Université de Paris II, Panthéon Assas. Practised as an in-house lawyer for nearly 8 years at the legal department of Nexans in Paris, formerly known as Alcatel Cable France. Currently involved in the negotiation and drafting of commercial and joint-venture agreements, corporate due diligence exercise, M&A operations, legal and tax advice. Director of Promotion and Development, Hotelest and Constance Hotels Services and of various other private companies controlled by French investors. Also board member of the Chambre de Commerce et d'Industrie France-Maurice.

### Gilbert Gnany

#### *Non-independent non-executive director*

Holds a 'Licence ès Sciences Economiques (Economie Mathématique)', 'Maîtrise en Économétrie' and 'DESS en Méthodes Scientifiques de Gestion et Calcul Économique Approfondi' (France). He previously worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius Ltd, the Statistics Advisory Council and the Statistics Board of Mauritius as well as having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. He was also a member of the IMF Advisory Group for sub-Saharan Africa and a member of the Senate of the University of Mauritius. He is currently a Board member of several companies within the MCB Group. On the institutional side, he is an external IMF expert in statistics, in particular, on data dissemination standards and strategy. Moreover, he is a member of the Financial Services Consultative Council. He also acts as Chairperson of the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue. Director in other listed companies namely MCB Group, Promotion and Development, COVIFRA and Medine.

### Stéphanie de La Hogue

#### *Non-independent non-executive director (up to December 2021)*

Holder of a Master's degree in Marketing and Finance from the Institut de Management International de Paris, she also followed the ESSEC General Management Program. She is the Managing Director of Poivre Corporate Services, a corporate office, as well as of Kasa Textile & Co. She is a member of the board of a number of companies.

### Jocelyne Martin

#### *Executive director*

BSc (Hons) in Statistics, London School of Economics. Member of the Institute of Chartered Accountants of England and Wales. Trained with Deloitte Haskins + Sells (now part of PwC), London. After several years of experience in the UK, worked at De Chazal Du Mée before joining Promotion and Development in 1995 as Group Financial Controller. Was appointed Group Finance Director in 2004 and Group CEO with effect from January 1st 2022. Director of Promotion and Development, Medine, EUDCOS, MFD Group, Tropical Paradise, and Oceanarium.

### Seedha Lutcheemee Nullatemby

#### *Independent non-executive director (up to September 2021)*

Fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and also holds an MBA in Finance. She is also a qualified Stockbroker. She has been working at the State Investment Corporation for the past 32 years and has wide ranging experience in the field of Finance, Accounting, Administrative and Corporate matters. She is a Director of various companies within the SIC Group.

### Philippe Raffray

#### *Independent non-executive director*

Holds a BA in Politics from the University of York and a Masters degree in Marketing Management from the University of Lancaster (UK). He had an international career spanning over 35 years with L'Oreal in Europe, Africa and Asia. He developed 'emerging markets' sales and marketing strategies as General Manager of the FMCG Divisions in South Africa, India and Indonesia. He was then appointed Country Managing Director of the L'Oreal hubs in South Africa, Ukraine and finally Morocco and the Maghreb. He retired from L'Oreal in June 2019 and joined the Board of Caudan Development Limited in June 2019. He is also a member of the management committee of BrandActiv and an independent non-executive director of CIPD, both part of the IBL group.

### Bernard Yen

#### *Non-independent non-executive director*

Fellow of the UK Institute and Faculty of Actuaries. Currently the Managing Director of AON in Mauritius, providing actuarial, pensions and other services in the African region. Has 35 years' international consulting experience including 15 years with Mercer in Europe. Has served as the African representative on the Committee of Actuaries advising the UN staff pension fund for 15 years. Also director of Promotion and Development.



*Odysseo*



### key roles and responsibilities

The executive directors of the Company up to December 2021 were Mr René Leclézio, and Mrs Jocelyne Martin. Mr Leclézio, the Managing Director of PaD, the holding and management company of Caudan, retired in December 2021 and Mrs Martin was appointed CEO of PaD, with effect from January 2022. PaD is in the process of recruiting an executive director who will also act as executive director on the board of the company.

To ensure a better balance of power and authority on the board, the functions and roles of the Chairperson and executive directors are independent of each other and they function under separate mandates issued by the board. This differentiates the division of responsibility within the company and ensures a balance of authority. The Chairperson has overall responsibility for leading the board and ensuring its effectiveness whilst the executive directors are responsible for managing and leading the business of the group.

The Chairperson provides overall leadership for decisions taken collectively by the board. He is responsible for ensuring the smooth functioning of the board and for promoting high standards of corporate governance. He is also responsible for ensuring that the directors receive accurate, timely and clear information and that adequate time is available for discussion of all agenda items at board meetings and in particular strategic issues. He encourages the active participation of all board members in discussions and decisions, constructive relation between the board and management and effective communication with stakeholders.

The executive directors are responsible for the day to day running of the group's operations and for developing and recommending the long term strategy and vision of the company and the group. They lead and direct senior management to implement the strategy and policies set out by the board. They also ensure effective communication with shareholders. The executive directors report at each board meeting on the performance, updates and prospects of the Caudan group and any other material matters arising.

The Company Secretary provides assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that the board procedures are followed and that applicable laws and regulations are complied with, for guiding the board with regard to their duties and responsibilities and for preparing agenda and minutes for board meetings and circulating same together with any supporting documentation.

The roles and responsibilities of the Chairperson, the Managing Director/CEO and the Company Secretary are defined in the position statements which have been approved and are reviewed regularly by the board. The position statements are available for consultation on the company's website.

### balance and diversity

The company's constitution provides that the board of the company shall consist of a minimum of 7 and a maximum of 14 directors. As at June 30th 2022, the board was made up of nine directors as set out on page 3.

The board includes an appropriate combination of executive directors, non-independent non-executive directors and independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision taking. All the directors are residents of Mauritius. Taking into account the scope and nature of operations of the group, the board considers that the number of directors is commensurate with the sophistication and scale of the organization and is appropriate to facilitate the effective decision making. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues take place in a critical yet constructive manner.

The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the company.

The non-independent non-executive directors are directors of PaD, major shareholder of Caudan and as such they are not legally considered as being independent. However, they are independent in both character and judgement and have wide experience and make important contributions to strategic issues and corporate governance.

During the year under review, there were 2 independent directors, proving a strong and independent element on the board: Mrs Priscilla Balgobin-Bhoiyruil appointed in December 2021 and Mr Philippe Raffray.

With three female directors as board members, the board is also in line with the recommendation of the NCCG regarding the gender diversity.

All directors are expected to objectively discharge their duties and responsibilities in the interests of the company. All directors should make their best efforts to avoid conflicts of interests or situations where others might reasonably perceive such a conflict. The personal interest of a director, or persons closely associated with the director, must not take precedence over those of the company or its shareholders. Any director, who is directly or indirectly interested in a transaction or proposed transaction, is required to disclose the nature of his interest, at the meeting in which the transaction is discussed, and should not participate in the debate, vote or indicate how he would have voted on the matter.

### balance

Independent non-executive directors	2
Executive directors	1
Non-independent non-executive directors	6

### average age

< 50	1
51 - 60	4
61 - 70	2
> 70	2

### gender diversity

Female	3
Male	6

### board/director's performance

The board acknowledges the need to regularly review the board's performance and effectiveness, that of its committees, the Chairperson and individual members. An internal board evaluation exercise was carried out for the financial year 2020/2021. The evaluation was carried out by means of a questionnaire that was filled in by each Director. The questionnaire covered the following areas:

- › The structure of the board;
- › Board efficiency and effectiveness;
- › Strategy and Performance;
- › Risk Management and Governance;
- › Board committees function;
- › Board members self-evaluation; and
- › Chairperson's evaluation by board members

The results were analysed and the review established that the directors consider the board to be operating effectively. The board was comfortable with the overall results of the assessment.

The board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

The Board has decided that the board evaluation exercise would be carried out every 2 years. As such, the next exercise will be held in 2023. The directors endeavour to maintain the same vigilance in leading the Company.

### director appointment procedures

In accordance with the constitution of the company, all directors shall retire from office and shall be eligible for re-election at each annual meeting of shareholders.

The board of directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors up to a maximum number permitted by the Constitution until the next Annual Meeting of Shareholders where the director shall then retire and shall be eligible for appointment at that meeting.

Newly appointed directors are briefed on key information relating to the group and the sector in which it operates. They are given the relevant governing documents of the company and meet executive management to familiarize with each of the group's business and operation, its strength and weaknesses. This process contributes to ensuring a well-informed and competent board.

The procedures and accountability for certain of the board matters are delegated under clearly defined conditions to board committees and executive management and information is supplied to the board in a manner that enables the board to act diligently and fulfill its responsibilities. The board monitors regularly the effectiveness of the policies and decisions, including the implementation and execution of its strategies.

### succession plan

The Board assumes the responsibility for the succession planning of directors and senior officers. The succession planning exercise, which is an on-going process, falls within the purview of the Remuneration, Corporate Governance and Ethics Committee.



*Victoria Metro Station*

### board meetings

All directors are expected to attend all meetings of the board, and of those committees on which they serve, and to devote sufficient time to the group's affairs to enable them to properly fulfill their duties as directors. The dates of the meetings together with agenda items are scheduled up to one year in advance, with board meetings at least each quarter.

However, on occasion, in addition to the regular scheduled meetings, it may be necessary to convene ad-hoc meetings at short notice as and when circumstances warrant, which may preclude directors from attending. Besides physical meetings, the board and the board committees may also make decisions by way of written resolutions. Participation by board members by means of teleconference or similar communication equipment is permitted.

Matters considered by the board in 2021-2022:

- The audited annual report for the year ended June 30th 2021;
- The abridged unaudited financial statements for the first, second and third quarters;
- Investments of the company;
- Presentations made by the management of the subsidiaries;
- Succession planning discussions;
- Approval of budgets for financial years 2021/2022 and 2022/2023;
- Presentation on Enterprise Risk Assessment;
- Review of board evaluation results;
- Presentation on Ethics; and
- Review of strategic orientation.

The board met eight times during the year to consider all aspects of the company's affairs and any further information which it requested from management. Directors are kept regularly informed of the up to date business position of the group.

The agenda of the board is prepared by the Company Secretary in consultation with the Chairperson and the executive directors and circulated together with accompanying board papers in a timely manner.

### attendance at board meetings

2022

board of directors

Jean-Philippe Coulier	8/8
Assad Abdullatiff ( <i>up to December 2021</i> )	2/4
Richard Arlove ( <i>as from December 2021</i> )	4/4
Priscilla Balgobin-Bhojrul ( <i>as from December 2021</i> )	4/4
Bertrand de Chazal	6/8
Catherine Fromet de Rosnay	8/8
Gilbert Gnany	7/8
Stéphanie de La Hogue ( <i>up to December 2021</i> )	4/4
René Leclézio ( <i>up to December 2021</i> )	5/5
Jocelyne Martin	8/8
Seedha Lutcheemee Nullatemby ( <i>up to September 2021</i> )	2/2
Philippe Raffray	8/8
Bernard Yen	7/8
<b>total number of meetings held</b>	<b>8</b>

### board committees

To assist the board in the discharge of its responsibilities, the board has delegated certain functions to the following committees, each of which has its own written terms of reference which deal clearly with their authorities and duties. Details of the most important committees are set out below:

#### The Remuneration, Corporate Governance and Ethics Committee ("RCGEC")

The main role of the RCGEC is to advise and make recommendations to the board in the discharge of its duties relating to corporate governance matters and nomination of directors and senior executives of the company and to all remuneration aspects.

It comprises of Mrs Catherine Fromet de Rosnay, who chairs this committee, Mrs Jocelyne Martin, and Messrs Jean Philippe Coulier, Bertrand de Chazal, and Philippe Raffray.

The committee makes recommendations to the board, in respect of issues relating to appointment of directors and the composition, size and structure of the board and generally on all corporate governance provisions to be adopted by the company and oversees their implementation. It also has responsibility for the compensation strategies, plans, policies and programs of the company and its subsidiaries and evaluating and approving the remuneration package and other terms and conditions of service applying to directors and senior executives.

The Committee is also responsible for updating from time to time, and as necessary, the company's Code of Ethics. It is also responsible for driving the process for the implementation of the National Code of Corporate Governance for Mauritius throughout the group. As such, it oversees that compliance to the NCCG is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the group, and that its core principles are embedded in the Group Corporate Culture.

Matters considered by the RCGEC in 2021-2022:

- Review of the board evaluation results;
- Review of the Corporate Governance Report forming part of the Annual Report 2021;
- Approval of appointment of two new directors;
- Review of good governance practices;
- Review of the composition of the committees;
- Succession planning recommendations;
- Review of the Management Agreement; and
- Approval of salary increases.

*attendance of the Remuneration, Corporate Governance and Ethics Committee*

## 2022

Jean-Philippe Coulier	3/3
René Leclézio ( <i>up to December 2021</i> )	0/2
Bertrand de Chazal	2/3
Catherine Fromet de Rosnay	3/3
Stéphanie de La Hogue ( <i>up to December 2021</i> )	1/2
Jocelyne Martin ( <i>as from February 2022</i> )	0/0
Philippe Raffray	3/3
<b>total number of meetings held</b>	<b>3</b>

## The Audit and Risk Monitoring Committee

The committee is appointed by the board to assist in the discharge of duties relating to the overall control aspects of the company and its subsidiaries, including the safeguarding of assets, the monitoring of internal control processes, and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards. It also assists in setting up risk mitigation strategies and to assess and monitor the risk management process of the group and to advise the Board on risk issues. The main findings of the committee and its recommendations are reported to the board on a regular basis.

It comprises Mrs Priscilla Balgobin-Bhoayrul, who chairs this committee, Messrs Richard Arlove, Bertrand de Chazal and Bernard Yen. All four members of the committee have the relevant financial experience. None of the members of the Audit and Risk Monitoring Committee were previous partners of or directors of the external auditors, namely Ernst & Young nor do they hold any financial interest therein.

In addition to its statutory functions, the Audit and Risk Monitoring Committee considers and reviews any other matters as may be agreed to by the Audit and Risk Monitoring Committee and the board. In particular, the committee assists the board in fulfilling its financial reporting responsibilities. It reviews the financial reporting process, and monitors compliance with laws and regulations. It monitors the quality, accuracy, reliability and integrity of the financial statements, and reviews interim financial reports and the annual financial statements prior to their submission to the board, and the application of the company's accounting policies. It reviews the audit process and assesses and recommends the appointment of internal and external auditors.

The committee reviews matters affecting the company's financial and internal controls, their adequacy and effectiveness and the management of financial risk. The committee also monitors risks identified and considered critical by management, including capital, market, reputational, strategic and operational risks; it reviews and monitors the development and implementation of the company's risk management programme. The Audit and Risk Monitoring Committee provides a forum through which the external auditors can report to the board and monitors their performance and independence. The board is satisfied that the Audit and Risk Monitoring Committee has adequately discharged its responsibilities in compliance with its terms of reference.

*attendance of the Audit and Risk Monitoring Committee*

## 2022

Assad Abdullatiff ( <i>up to December 2021</i> )	2/3
Richard Arlove ( <i>as from February 2022</i> )	2/2
Priscilla Balgobin-Bhoayrul ( <i>as from December 2021</i> )	3/3
Bertrand de Chazal	6/6
Stéphanie de La Hogue ( <i>up to December 2021</i> )	3/3
Bernard Yen	5/6
<b>total number of meetings held</b>	<b>6</b>



*Victoria Urban Terminal*

Matters considered by the Audit and Risk Monitoring Committee in 2021-2022:

- Review the abridged quarterly financial statements for the first, second and third quarters;
- Review and recommend for approval to the board the abridged and annual financial statements for the year ended June 30th 2021;
- Review of budgets for the financial years 2021/2022 and 2022/2023;
- Selection of Internal Auditor;
- Monitoring of risks identified for the company;
- Review of the Compliance reports submitted by the compliance officer;
- Review various audit reports submitted by the internal auditor and monitor the implementation of the agreed internal control improvements by management; and
- Review audit reports and findings of the external auditor.

### statement of remuneration philosophy

The company's remuneration philosophy concerning directors provides that:

- there should be a retainer fee for each director reflecting the workload, size and complexity of the business as well as the responsibility involved. It should be the same for all directors whether executive or non-executive directors.
- the Chairperson having wider responsibilities should have higher remunerations.
- there should be committee fees for directors. The Chairperson should have higher remuneration than members.
- board and committee members also receive an attendance fee per sitting of their respective boards and committees.
- an attendance fee is also paid for attending the Annual Meeting of shareholders.
- no share option or bonus should be granted to non-executive or independent directors.

## directors' remuneration

### remuneration and benefits received and receivable from the company and its subsidiaries

2022

MRs000	THE		TOTAL
	COMPANY	SUBSIDIARIES	
Jean-Philippe Coulier	223	-	223
Assad Abdullatiff	70	-	70
Richard Arlove	88	-	88
Priscilla Balgobin-Bhoayrul	109	-	109
Bertrand de Chazal	157	60	217
Catherine Fromet de Rosnay	132	-	132
Stéphanie de La Hogue	90	-	90
Seedha Lutcheemee Nullatemby	20	-	20
Philippe Raffray	148	-	148
Bernard Yen	152	-	152
<b>Total Non-Executive</b>	<b>1,189</b>	<b>60</b>	<b>1,249</b>

Remuneration of non-executive directors consists of a basic retainer fee and an attendance fee in respect of their presence at meetings of the board and their respective committees as well as the Annual Meeting of Shareholders.

Executive directors and non-executive directors having an executive role within the PaD Group or entities of the MCB Group are not remunerated.

### risk governance and internal control

The group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Monitoring Committee, the nature and governance of risk remain the ultimate responsibility of the board.

The responsibility of the board also includes:

- Ensuring that structures and processes are in place for risks management;
- Identifying the principal risks;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems are in place for implementing, maintaining and monitoring internal controls.

All risks have been documented in a risk register and this will be reviewed at least yearly to identify new and emerging risks.

Some of the operational risks to which the group is exposed are:

- physical: losses resulting from external events such as natural disasters (e.g. cyclone), fire, explosion terrorism, riots and other political or social unrest. The Group reviews its insurance requirements regularly to ensure appropriate coverage in these circumstances
- human resources: Ability to attract, develop and retain employees with appropriate skills and losses arising from acts inconsistent with employment, health and safety laws. The Group has enlisted the services of a seasoned HR practitioner to help design a HR strategy, build a high performance culture and competency, and maintain employee engagement.
- business continuity: losses resulting from breakdown in systems, failure of internal processes, inadequate back-ups and loss of data. The Group has developed a disaster recovery plan in order to be able to respond to major incidents or emergencies.
- compliance: failure to comply with laws, regulations, codes of conduct and standard of good practice relevant to the group's business environment. Adequate training is provided to employees and directors. The Group compliance officer also monitors compliance with the relevant laws, regulations and codes of conduct and reports to the relevant committees on a regular basis.
- Competition: Proliferation of shopping malls and destination venues around the island may impact on the footfall. Over-supply of rental property may lead to pressure on rental rates. The management continuously monitors the environment and reviews its operating strategies accordingly.
- The property segment is influenced largely by economic growth in the country. The ability of businesses to rent properties depends on their financial performance. In times of low economic growth, businesses may struggle to stay operational, resulting in tenant failures leading to unpaid rents and eventually decreased occupancy. The Group has put in place processes to ensure financial stability of new tenants and a close monitoring of the financial health of its customer base. Management maintains strong relationships with tenants to understand their businesses and deal promptly with potential issues.
- Prompt allocation of permits and licenses from the authorities for development projects may delay their smooth progress.

- Reputation: Reputational risk is the risk of failure by the group to meet stakeholder expectations, as a result of any event, behaviour, action or inaction, either by the Group, its officers, its employees or those with whom it is associated that may cause stakeholders to form a negative view of the Group. The Group's image can be affected by risks related to ethics and integrity, cyber security and products and services and may result in loss of customer's confidence, trust and business relationships impacting on the Group's performance and ability to retain and generate business as well as a loss of investor confidence. The Group ensures that procedures are in place to assess, understand and meet the needs of stakeholders at all times. The Group's reputation is also managed at both senior management and operational level to ensure that our values and actions are in line with best practice standards.

To mitigate the above risks, the company has developed various policies, processes, systems and methods which are reviewed regularly to ensure that they are managed on a timely basis and in an effective manner. Risks workshops are thus organised periodically. A risk management framework was put in place in June 2017 and an action plan implemented to mitigate the business risks and/or to transform them into business opportunities. An updated Enterprise Risk Management Framework has been identified during a workshop held in December 2020. The aim was to prioritise key strategic orientations and initiatives and analyse the various risks involved for their proper execution. An updated action plan was subsequently drafted and a steering committee has been set up to look into the risk assessment and the ongoing strategic implementation process.

The group is also exposed to financial risks such as market risk, credit risk and liquidity risk. The management of these risks is further discussed in note 1 of the financial statements.

The board is responsible for information governance within the company and its subsidiaries. It ensures that all risks pertaining to IT are mitigated and are systematically referred to consultants as appropriate. All risks emerging with the spread of new technologies and digitalisation practices issues and problems encountered are currently referred to the IT department of the MCB Ltd or other service providers. Internal control procedures have been implemented internally to avoid inter alia, malfunction or disruption in the operation of the systems and/or cyber-security breaches.

The existing policies are being reviewed and an IT governance model for the company is currently being developed. A list of the existing policies is detailed below:

- Email, internet and other acceptable use policy: Outline appropriate and inappropriate use of email systems and services and internet resources.
- System administrator policy: establish administrative and privileged access rights to the company's IT systems and confidential information.
- Logical access policy: limit access to information processing facilities and business processes of the group.
- Mobile code policy: protect integrity of software and information, provide instructions on measures to be taken to achieve effective malware detection and prevention.
- Information security & incident management policy: protect information assets, prevent security incidents and reduce their potential impact. Identify information security events and weaknesses and take timely corrective action.
- Back up policy: regular backup copies of information and software to protect against loss of data, maintain the integrity and availability of information and information processing facilities.
- Network security policy: protection of information in networks and of supporting infrastructure.
- Password policy: creating, protecting and changing passwords.
- Laptop policy: minimise information security risks that may affect laptops.

## reporting with integrity

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare the financial statements in accordance with International Financial Reporting Standards.

The directors are also responsible for keeping adequate accounting records and for the preparation of accounts that fairly present the state of affairs of the company. The annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the company's position, performance and outlook. The directors have also the duty to safeguard the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## sustainability reporting

The company is committed to the development and implementation of social health and safety and environmental policies and practices in line with existing legislatives and regulatory framework. The Group strategy is therefore underpinned by its commitment to sustainability and the team has been instructed to develop corporate sustainable initiatives and green energy projects to reduce the environmental footprint.

## carbon reduction commitment

Environment consciousness is among one of the most important business practices of the company and the group. The group wishes to go further in the strengthening and affirmation of the group's identity as an eco-friendly destination by building on several ad-hoc green initiatives that have been taken over a certain period of time, like the use of eco-friendly biodegradable detergents when it comes to the cleaning of the premises and recycling of used oils among others. The group has reduced paper consumption through the elimination of paper invoices by sending them electronically. Furthermore, the group has installed water dispensers at its premises in order to shifting off plastic bottles.

The most visible and ambitious action taken at this level is the inculcation of environmental awareness to all staff, visitors and tenants via the implementation of selective separation and sorting of waste with the provision of adapted bins.

In the coming year, the group will continue to work towards bringing consistency to its environment friendly policy and actions in view of putting up a structured and full-fledged project that will strengthen the group's commitment towards sustainable development, thus enabling us to meet international standards with regard to environmental consciousness.



*Port Louis Waterfront*

## audit

### Audit and Risk Monitoring Committee

The mission of the Audit and Risk Monitoring committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the company's auditors.

The Audit and Risk Monitoring Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

During the year under review, the Audit and Risk Monitoring Committee has continued to focus on its key objectives namely: overseeing financial reporting, internal controls, internal and external audit.

### internal audit

Following the resignation of the group internal auditor, the Audit and Risk Monitoring Committee has decided to outsource the internal audit function. A tender proposal was launched and PricewaterhouseCoopers has been appointed to act as Internal Auditor for the ensuing year. They will conduct a new risk assessment at the beginning of October 2022 which will serve as a basis for the development of a risk based internal audit plan which will be tabled for approval by the Audit and Risk Monitoring Committee. Up until March 31st 2022, the company had an in-house internal audit function at group level. The group internal auditor evaluated all aspects of internal control of the company and its subsidiaries and assisted the Audit and Risk Monitoring Committee to ensure that the company maintains a sound system of internal controls. The internal auditor reported to the Audit and Risk Monitoring Committee Chairperson, and to the executive management on administrative matters. The Audit and Risk Monitoring Committee ensured the adequacy and effectiveness of the internal audit function. The internal audit plan for financial year 2022 has been established in consultation with, but independent of, Management, and was reviewed and approved by the Audit and Risk Monitoring Committee.

The internal auditor provided a written assessment of the group's internal controls which was tabled at each Audit and Risk Monitoring Committee meeting. The internal audit findings, recommendations and status of remediation were reviewed and discussed with the committee members and management,

who also submitted an action plan for the various findings. The internal auditor had unfettered access to the group's documents, records, properties and personnel, including access to the Audit and Risk Monitoring Committee. During the year under review, the internal auditor reported to the Audit and Risk Monitoring Committee on factual findings with respect to controls relating to sales and accounts receivables, complaints and cash management of the Guarding department of its subsidiary, Caudan Security Services. The Internal auditor also reported on the implementation status of previous internal audit recommendations.

### external audit

Annual audit plans are presented in advance by the external auditors and reviewed by the Audit and Risk Monitoring Committee.

The Audit and Risk Monitoring Committee also reviews the external auditors' report and any recommendations for improvements in controls and procedures identified in the course of their work and ensures the proper follow up of previous recommendations.

The Audit Committee also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

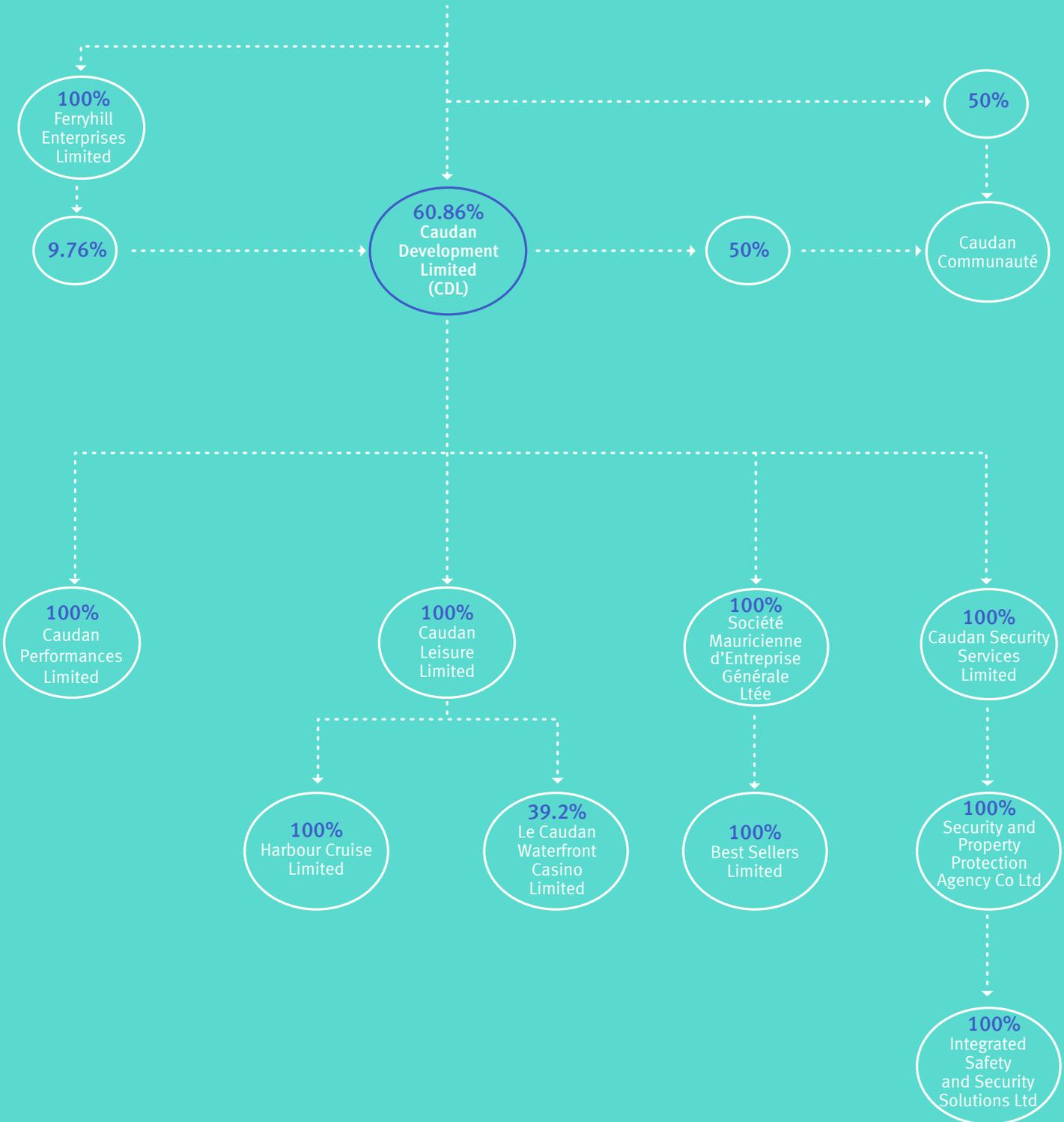
- › Confirming that the External Auditor is independent from the company; and
- › Considering whether the relationships that may exist between the company and the External Auditor impair the External Auditor's judgement.

Upon approval from the Audit Committee, the board of the company thereafter recommends the appointment of external auditors to the shareholder in the Annual Meeting of shareholders for approval by way of an ordinary resolution.

Although the External Auditor may provide non-audit services to the company, the objectivity and independence of the External Auditor is safeguarded through restrictions on the provisions of these services such as:

- › where the External Auditor may be required to audit its own work, or
- › where the External Auditor participates in activities that should normally be undertaken by the company.

Promotion and Development Ltd (PaD)



### relations with shareholders and other key stakeholders

At June 30th 2022, the capital structure of the company was MRs2,000,000,000, represented by 2,000,000,000 ordinary shares of MRe1.00 each and there were 3,220 shareholders on the registry.

### shareholders holding more than 5% of the share capital of the company at June 30th 2022

shareholder	number of shares	% held
Promotion and Development Ltd	1,217,257,922	60.86
Ferryhill Enterprises Ltd	195,236,234	9.76
	1,412,494,156	70.62
MCB Group Limited	125,882,191	6.29
Fincorp Investment Ltd	106,790,072	5.34

Subsidiaries and associates of the company are listed in notes 5 and 6 respectively of the financial statements.

### group structure as at June 30th 2022

The holding structure up to and including Promotion and Development Ltd, the ultimate parent, is shown overleaf.

size of shareholding	number of share-holders	number of shares owned	% holding
1-500 shares	414	76,674	0.004
501-1,000 shares	211	149,848	0.008
1,001-5,000 shares	923	2,133,395	0.11
5,001-10,000 shares	330	2,297,773	0.11
10,001-50,000 shares	767	17,227,182	0.86
50,001-100,000 shares	190	13,548,794	0.68
Above 100,000 shares	369	1,964,566,334	98.23
<b>Total</b>	<b>3,204</b>	<b>2,000,000,000</b>	<b>100.00</b>

category	number of shareholders	number of shares owned	% holding
Individuals	2,968	118,929,161	5.95
Insurance and Assurance Companies	4	11,684,776	0.58
Pensions and Provident Funds	37	120,249,237	6.01
Investment and Trust Companies	27	157,357,492	7.87
Other Corporate Bodies	168	1,591,779,334	79.59
<b>Total</b>	<b>3,204</b>	<b>2,000,000,000</b>	<b>100.00</b>

The number of shareholders given above is indicative, having been obtained by consolidation of multiple portfolios for reporting purposes.

The board places great importance on an open and transparent communication with all shareholders; and it endeavours to deliver to the shareholders and to the global investing community thorough and up to date information to support informed investment decisions and keep them informed on matters affecting the company, which could have a material impact on the company's share price.

The company communicates to its shareholders through its Annual Report, publication of unaudited quarterly and audited abridged financial statements of the group, dividend declaration, if any, press announcements and the Annual Meeting of Shareholders to which all shareholders are encouraged to attend. All shareholders of the company are entitled to attend and vote at shareholders' meetings in person or by proxy. The company is required to comply with the provisions of the Listing Rules on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified period. All announcements are posted on the company's website.

The company's website is also an important means of effectively communicating with all stakeholders, keeping them abreast of developments within the group.

The shareholders are entitled to receive the Annual Report of the company and the notice of Annual Meeting within six months of the end of the financial year and at least 21 days before the Annual Meeting in accordance with the Companies Act 2001.





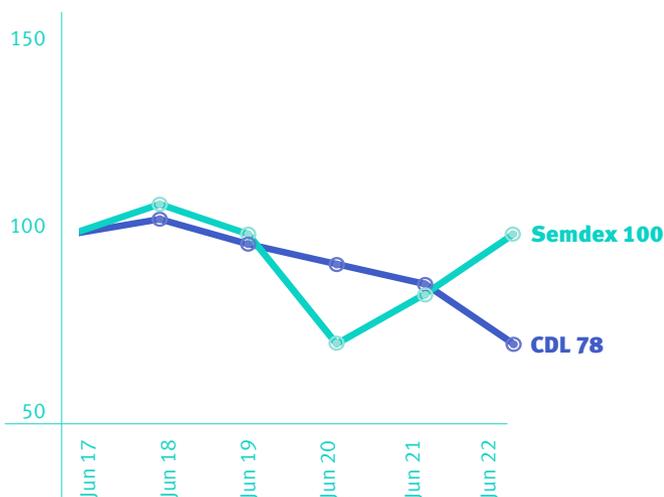
## shareholders' calendar

The company has planned the following forthcoming events :

Mid-November 2022	release of first quarter results to September 30th 2022
December 2022	annual meeting of shareholders
Mid-February 2023	release of half-year results to December 31st 2022
Mid-May 2023	release of results for the nine month period to March 31st 2023
June 2023	declaration of final dividend (if any)
End-September 2023	release of full year results to June 30th 2023
Mid-November 2023	release of first quarter results to September 30th 2023
December 2023	annual meeting of shareholders

## share price information

### evolution of the company's share price compared to the Semdex over the past five years



(Base year, June 2017 = 100)

## the constitution

A copy of the constitution is available at the registered office of the company and on its website. There are no clauses of the constitution deemed material to be disclosed.

## common directors

### common directors within the holding structure of the company

at June 30th 2022	Promotion and Development
Jean-Philippe Coulier	>
Richard Arlove	>
Bertrand de Chazal	>
Catherine Fromet de Rosnay	>
Gilbert Gnany	>
Jocelyne Martin	>
Bernard Yen	>

## shareholders agreement

There is currently no shareholders' agreement affecting the governance of the company by the board.

## third party management agreement

There were no such agreements during the year under review.

## dividend policy

The company's objective is to provide value to its shareholders through optimum return on equity. The company does not currently have a formal dividend policy. The declaration amount and payment of future dividends depend on many factors, including level of profits realised, cash flow and financial condition, expansion and working capital requirements, commitments with regards to future projects and other factors deemed relevant by the board. The company however aims at achieving a reasonable return and regular income in the form of stable dividends and as far as possible, intends to maintain or grow the dividend each year.

The Audit and Risk Monitoring Committee and the board ensure that dividends are paid out only if the company, shall upon the distribution being made, satisfy the solvency test. Dividends are normally declared and paid once a year.

Given the uncertainties surrounding the evolution and impact of the COVID-19 pandemic, no dividend was paid for the three years ended June 30th 2020, June 30th 2021 and June 30th 2022.

## trend over the past five years

year	dividend per share cents
<b>2022</b>	-
2021	-
2020	-
2019	4.0
2018	4.0

## statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flow of the company and of the group. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2001. The directors are also responsible to ensure that:

- an effective system of internal control and risk management has been maintained; and
- the code of corporate governance has been adhered to.

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

*Approved by the board of directors on  
September 26<sup>th</sup> 2022 and signed on its behalf by*

*Jean-Philippe Coulier*  
Chairperson

*Jocelyne Martin*  
Director