

# Corporate governance report

*TERRA Mauricia Ltd (“Terra” or “the Company”) is classified as a Public Interest Entity (“PIE”) according to the Financial Reporting Act 2004 and is therefore required to apply the 8 principles of the Code of Corporate Governance in accordance with The National Code of Corporate Governance for Mauritius (2016) (the “Code”). This Corporate Governance report provides adequate explanation of how these principles have been applied by the Company and its subsidiaries (“the Group”).*

## CONSTITUTION

The constitution of Terra is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius. It is available on the Group’s website.

The constitution has the following salient features:

- Wide objects and powers are conferred on the Company;
- The absence of ownership restrictions or pre-emptive rights attached to shares issued by the Company;
- The ability of the Company to purchase its own shares, and to reissue and sell any of them;
- Retirement by rotation of three directors at every Annual Meeting;
- A procedure for proposing candidates for election to the office of director;
- The ability of shareholders to cast postal votes; and
- The casting vote of the Chairman.

On 28 and 30 December 2011, applications under Section 178 of the Companies Act were lodged before the Bankruptcy Division of the Supreme Court by certain dissenting shareholders of Harel Frères Ltd (now Terragri Ltd), representing some 6.4% of the share capital, alleging that they had been unfairly prejudiced by the scheme of arrangement approved by a majority of shareholders on 23 November 2011 (the Scheme), and requesting the buyback of their shares at fair value or the payment of compensation of a sum in excess of MUR 64 per share held by them. On the same day, in order to reassure the dissenting shareholders that their rights had not been affected by the Scheme, the Board of Terragri decided to amend the constitution of Terra, before the effective date of the Scheme, so that any matter that would have required the approval of the shareholders of Terragri would be submitted for the approval of those of Terra.

Corresponding amendments were brought to the constitution of Terragri Ltd after the effective date of the Scheme. The Board of Directors was advised that the above claim was misconceived. Counsel had further opined that the claim amounted to an abuse of the process of the court. The claim was resisted and the matter was heard on 25 May 2012. On 11 February 2014, a judgement was issued by the Supreme Court, dismissing the application with costs and confirming that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders appealed against the judgement and the Court of Appeal, in its judgement, delivered on 25 March 2019, dismissed the appeal with costs. The appellants have since obtained leave from the Supreme Court to submit an appeal to the Privy Council.

## BOARD OF DIRECTORS

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. It must ensure that proper systems and controls are in place to protect the Group’s assets and its good reputation. Having regard to recommendations made by Management, the Board makes strategic choices, decisions and identifies key risk areas, monitors and evaluates the implementation of policies and business plans, and approves major investments as well as the Company’s annual capital expenditure and operating budgets. The Board has performed these responsibilities during the year.

The roles of the Chairman and Managing Director are separate and each of them has clearly defined responsibilities. The Chairman’s main role is to lead and oversee the proper functioning of the Board and to ensure that it operates effectively. The Managing Director is responsible for the day-to-day management of the Group, supervising a team of executives, coordinating the elaboration and submission of development strategies to the Board and monitoring the effective implementation of operational decisions. The Board has adopted a Board Charter, available on Terra’s website, which describes clearly, inter alia, the role and responsibilities of the Board and its committees, the duties and powers of the Board, the related decision-making processes, and the management of potential conflicts of interest. The charter was reviewed on 28 April 2021. The directors are aware of their legal duties.

# Corporate governance report (cont'd)

## BOARD OF DIRECTORS (CONT'D)

The Board has also approved formal information technology and information security policies, which are available under the Corporate Governance section of the Group's website and which describe, *inter alia*, the restrictions placed over the right of access to information. These policies are regularly reviewed by the Board, which also approve yearly, together with the annual capital expenditure budgets of the main clusters, the significant expenditures on information technology.

Directors are expected to attend, in person or by teleconference, all Board meetings and all Board Committee meetings of which they are members, except in exceptional circumstances.

### During the year under review the Board focused on the following issues:

- Ensuring that the Company acted as a socially responsible entity;
- Evaluating the impact of the Covid-19 crisis and approving revised budgets in light of the situation;
- Approving the audited consolidated annual and interim financial statements and their abridged version for publication, as well as the Annual Report;
- Recommending to the shareholders a change of external auditors;
- Overseeing performance of the main clusters against budgets;
- Ensuring balanced and constructive communications with stakeholders;
- Approving major strategic investments and credit lines with financial institutions;

## BOARD SIZE AND COMPOSITION

In terms of the constitution, the Board of Terra, which is a unitary one, consists of not more than eleven directors and includes five non-executive directors, three executive directors and three independent non-executive directors. This size and composition have been found appropriate to take into consideration the structure of the shareholding, while providing for an adequate number of independent and executive directors.

The directors who held office at 31 December 2020 are those listed on pages 84 to 87.

Their profiles, as well as the directorships held by them in listed companies, including the external obligations of the Chairman, as well as any change thereto and its impact, appear on the same pages. The other external directorships held by them are available on page \*\*. The external obligations of the Chairman have not changed in 2020 and they have been found to be compatible with the discharge of his duties and responsibilities. The Board charter has capped the number of outside positions of directors (excluding the Group and its associates) to ten, but the Board has the discretion of authorising a greater number on a case by case basis. None of the directors have reached the prescribed limit. Except for Mr Pascal Raffray, who resides in Paris, all other directors ordinarily reside in Mauritius, and there are now two female members on the Board. None of the independent directors

Board meeting dates are generally set well in advance to enable directors to manage their other commitments. The attendance of directors at Board and Committee meetings in 2020, as well as at the Annual Meeting of shareholders, is set out on pages 84 and 85. The Board of Terra met eight times during the year, including a special full-day session dedicated to Group strategy.

Senior Group executives are invited, when appropriate, to attend Board meetings and make presentations on the strategies and projects under the custody of their business units. The profiles of the senior Group executives are set out on pages 86, 87, 90 and 91. Consultants are also invited to attend board meetings when necessary and, in 2020, several of them made presentations to the Board.

- Enhancing the governance structures, frameworks, policies, processes and procedures in line with best practices and current regulations;
- Considering reports from the Board committees;
- Overseeing key risk areas and ensuring effective risk management processes;
- Declaring final dividends for the year ending on 31 December 2020;
- Providing guidance and leadership in the corporate governance arena; and
- Considering, providing input and approving the Group's strategy for the forthcoming financial year.

have yet served for more than nine years on the Board. If this was the case, the Board would examine regularly the situation and performance of the director to determine if he/she would still be considered as independent. Hence, Mrs Margaret Wong Ping Lun, who has served for nine years as independent director in June 2021, will nevertheless be proposed for re-election at the next Annual Meeting. Given the exceptional circumstances which the Company and the country have faced for more than one year now, in the wake of the Covid-19 pandemic, it has not been possible to find the required and appropriate profile to fill her position. The Board has carefully considered and resolved, in the light of the above mentioned circumstances, that there is, in its perception, no reason why Mrs Margaret Wong Ping Lun ought not continue to serve on the Board as an independent director for the coming year.

The Code of Corporate Governance, as well as the Board charter, enumerates a set of criteria determining the status of independence, from a director's standpoint. One of these criteria states that cross directorships or significant links with other directors through involvement in other companies or bodies, could result in the director being defined as non-independent. The Board charter also gives the Board the right to grant waivers to any of the above criteria so that knowledge, experience, skills and integrity are privileged in the nomination process of independent directors. Although Mr Didier Harel and the Chairman have cross directorships in one company at non-executive level only, the Board has, here again, carefully considered, and resolved that there is, in its perception, no reason why Mr Didier Harel ought not continue to be regarded as an independent director. The Board has determined that he has shown objectivity and an unfettered independent judgement, that he has performed his duties in good faith and that his independence as director has not been affected in any way whatsoever by this cross directorship.

At the Annual Meeting held in 2020, three directors retired from office, either by rotation or under Section 138 of the Companies Act. All of them were eligible for re-election and were re-elected. One non-executive director, namely Mr Dominique de Froberville, will be proposed for re-election at the next Annual Meeting. The latest Board evaluation has confirmed his performance and commitment. Mr Maurice de Marassé Enouf has retired as from 01 January 2021 and his replacement will be submitted for approval at the next Annual Meeting.

## DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF TERRA MAURICIA LTD

The directors' interests in the Company's securities as at 31 December 2020 pursuant to the Listing Rules are as follows:

Directors	ORDINARY SHARES							
	DIRECT		INDIRECT					
	Shares	%	Usufruct	%	Shares	%	Usufruct	%
Maurice de Marassé Enouf	-	-	-	-	-	-	-	-
Nikhil Treebhoohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	30,133	0.01%	-	-	74,083	0.03%	-	-
Henri Harel	413,666	0.18%	-	-	200	0.00%	-	-
Nicolas Maigrot	-	-	-	-	-	-	-	-
Didier Harel	-	-	-	-	-	-	-	-
Alain Rey	-	-	-	-	-	-	-	-
Alain Vallet	336,390	0.15%	-	-	3	0.00%	1,135,710	0.50%
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Pascal Raffray	-	-	-	-	-	-	-	-
<b>Total</b>	<b>780,189</b>	<b>0.34%</b>	<b>-</b>	<b>-</b>	<b>75,885</b>	<b>0.03%</b>	<b>1,135,710</b>	<b>0.50%</b>
<b>Total issued shares</b>	<b>227,545,624</b>							

The Board is of the opinion that the rotation of three directors each year, as provided by the constitution of Terra is appropriate in the circumstances of the Group, given its complexity and the diversity of its activities.

The Board believes that the tenure of office of directors should be of a sufficient duration to allow these directors – particularly independent directors and those who are members of the committees established by the Board – to be reasonably conversant with the intricacies of the Group's operations so as to exercise the degree of leadership, skill and judgement required to ensure sound decision-making at Board level, in the best interests of the Group.

The Board is responsible for the succession planning, including senior executives and the nomination process of directors: this has been partly delegated to the Corporate Governance Committee. The latter identifies potential new directors, according to the provisions of Terra's constitution, as well as new executives and makes recommendations to the Board after considering the skills, knowledge, experience, age and gender of the candidates. Upon their appointment, the new non-executive directors receive a formal letter describing their legal responsibilities and fiduciary duties, as well as the Board's specific expectations, including the time commitment. The Board is also responsible for the induction of new directors, with the help of the Company Secretary, and for their professional development. The latest Board Effectiveness Evaluation, carried out at the end of 2019, provided the opportunity to discuss, in 2020, this specific matter with the directors and to assess their training needs.

# Corporate governance report (cont'd)

## DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF TERRA MAURICIA LTD (CONT'D)

None of the directors holds any interest in subsidiaries of the Company. The directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, set out in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review the following shares of Terra were traded by directors:

Name	No. of shares	Bought / Sold
Mr Alain Vallet	48,200	Bought
Mr Alexis Harel	30,000	Bought
Associate of Mr Alexis Harel	9,600	Bought

None of the other directors bought or sold shares of Terra.

## GROUP COMPANY SECRETARY

Directors have direct access to the advice and services of the Secretary, Terra Services Ltd, through its representative, Mr Louis Denis Koenig, who is responsible for ensuring that Board procedures and processes are followed. He also ensures that, within one month of their appointment, newly appointed directors are made aware of their fiduciary duties and responsibilities and prepares an induction programme tailored to their individual requirements, in order for them to be immediately familiar with the Group's operations and business environment and to meet and exchange with senior management. An interest register is maintained by the Company Secretary and is available for inspection by shareholders upon written request to the Company as provided by law.

## GOVERNANCE FRAMEWORK AND DELEGATION OF AUTHORITY

Terra's governance structure provides for delegation of authority while enabling the Board to retain effective control. The Board delegates specific responsibilities to the Managing Director, as well as to Board committees with clearly defined mandates. Their terms of reference, which have been approved by the Board, were reviewed in 2020 and will be reviewed every three years. They are posted on Terra's website, as well as the position statement of each senior governance position within the Company as well as an organisational structure of the Group. While an independent director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees in order to ensure a smooth and proper coordination between these committees and the Board.



## BOARD COMMITTEES

### AUDIT AND RISK COMMITTEE

#### COMPOSITION

##### MEMBERS

Margaret Wong Ping Lun	<b>Chairperson: Independent non-executive</b>
Maurice de Marassé Enouf (up to 31 December 2020)	<b>Member: Non-executive</b>
Pascal Raffray (as from 01 January 2021)	<b>Member: Non-executive</b>
Nikhil Treebhohun	<b>Member: Independent Non-executive</b>

#### OTHER REGULAR ATTENDEES

Managing Director	Internal auditors
Group Chief Finance Officer	Group Finance Manager
External auditors	

#### TERMS OF REFERENCE

The Committee operates under formal terms of reference modelled closely on the Code's provisions. It is primarily responsible for maintaining an appropriate relationship with the Group's external auditors, reviewing the effectiveness of the systems of internal control, including internal financial control and business risk management and the audit process. Its main objective is to provide the directors with additional assurance regarding the quality and reliability of financial information used by them and to assist them in properly discharging their duties. The Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit work. External and internal auditors have unrestricted access to the Committee. The Committee's terms of reference also encompass the responsibilities to oversee the Group's risk management framework. The Board reviewed these terms of reference in November 2020.

## GRAYS' AUDIT AND RISK COMMITTEE

Given that 26% of Grays Inc. Ltd is owned by Distell Group, a strategic partner, and taking into account the complexity of its activities, Grays Inc. Ltd has a separate Audit and Risk Committee. This committee was under the chairmanship of Leonard Volschenk, a representative of the strategic partner, with Henri Harel and Dominique de Froberville as members. Leonard Volschenk subsequently retired from the committee and was replaced as Chairman by another representative of the strategic partner, Deon Louw. The committee reports to the Board of Grays. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. Grays' Audit and Risk Committee met on three occasions during the year: the first meeting focused mainly on the management letter from the external auditors, the review of four internal audit reports and the internal audit planning for the year; the second one focused on three other internal audit reports and the third one, which was a continuation of the second one, focused on the planning of the external and internal audit work for 2021, on risk management and the review of one more internal audit report.

### EXTERNAL AUDITORS

At the Annual Meeting held in November 2020 the shareholders approved the appointment of BDO & Co, in replacement of KPMG and in conformity with the prevailing legislation. Details of audit and non-audit fees are disclosed on page 113.

### MEETING SCHEDULE

The Audit and Risk Committee met seven times in 2020 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by directors is set out on page 84 and 85. When the Committee met with the external auditors to review the financial statements, critical policies, judgements and estimates were discussed. As from 2018 the Committee has, on that occasion, met the auditors outside the presence of management.

### COMMITTEE FOCUS IN 2020

- Monitoring of the external audit process.
- Consolidated and abridged audited financial statements for approval by the Board and publication.
- Review of Annual Report and management letters for the Group.
- External and internal audit planning for 2020.
- Review of internal audit reports.
- Appointment of external auditors.
- Meeting with the Financial Controllers of the main clusters.
- Regular review of the effectiveness of the implementation of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM).

# Corporate governance report (cont'd)

## BOARD COMMITTEES (CONT'D)

### CORPORATE GOVERNANCE COMMITTEE

#### COMPOSITION

##### MEMBERS THROUGHOUT THE YEAR

Alain Rey Didier Harel	<b>Chairman: Non-executive Member: Independent Non-executive</b>
Margaret Wong Ping Lun	<b>Member: Independent Non-executive</b>

##### IN ATTENDANCE:

Nicolas Maigrot	<b>Executive</b>
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#### TERMS OF REFERENCE

The Committee's role encompasses the functions of both the Remuneration and the Nomination Committees.

Its terms of reference include *inter alia* the development of Group general policy on executive and senior management remuneration, as well as the determination of both specific remuneration packages and performance measurement criteria for executive directors. It also makes recommendations concerning the level of directors' fees. It regularly reviews the Board's structure, size and composition and makes recommendations to the Board on directors' appointments. The Committee has the further responsibility of implementing the Code throughout the Group and of ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in it. The Board reviewed the terms of reference of the Committee in November 2020.

#### MEETING SCHEDULE

The Corporate Governance Committee met four times during the year and the attendance of individual directors at these meetings is detailed on pages 84 and 85.

#### COMMITTEE FOCUS IN 2020

- Corporate Governance Report and Annual Report for the year ended 31 December 2019.
- Appointment and re-appointment of directors.
- Preparation of Annual Meeting held on 10 November 2020.
- Composition of boards of directors of subsidiaries and associated companies.
- Board self-evaluation.
- Review and approval of the remuneration of senior executives.
- Determination of the variable portion of senior executives' remuneration.
- Renewal of the Directors and Officers Liability insurance policy.

#### BOARD EVALUATION

A Board Effectiveness Evaluation exercise, which also reviewed the performance of the Board committees and the individual directors, was initiated during the last quarter of 2019 and was held in the first quarter of 2020 with the help of Ernst & Young (EY). The report was subsequently submitted to the Committee and to the Board during the year. The appropriate measures are being considered regarding the improvement areas identified by the report and pertaining mainly to the professional development of the non-executive directors, the remuneration policies, the individual appraisal of the directors' performance and the succession planning for the Board and senior executives. The next evaluation exercise will be proposed in 2022.

## STRATEGY AND INVESTMENT COMMITTEE

### COMPOSITION

#### MEMBERS THROUGHOUT THE YEAR

Alain Rey Dominique de Froberville Nicolas Maigrot Alexis Harel Didier Harel	<b>Chairman: Non-executive Member: Non-executive Member: Executive Member: Executive Non-executive</b>
Henri Harel	<b>Member: Executive</b>

#### IN ATTENDANCE:

Julien Rousset	<b>Executive</b>
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#### MEETING SCHEDULE AND COMMITTEE FOCUS IN 2020

The Strategy and Investment Committee met five times in 2020. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, including new projects for the property cluster, the financing requirements of the Group and made a number of recommendations to the Board. The attendance of individual directors at these meetings is detailed on pages 84 and 85.

## ETHICS COMMITTEE

### COMPOSITION

#### MEMBERS THROUGHOUT THE YEAR

Alain Rey Maurice de Marassé Enouf (up to 31 December 2020) Christopher Park	<b>Chairman: Non-executive Member: Non-executive</b>
Nikhil Treebhoohun	<b>Member: Human Resources Manager Member: Independent Non-executive</b>
Louis Denis Koenig	<b>Member: Executive</b>

#### IN ATTENDANCE:

Gilbert Bouic (Group Ethics Officer)	<b>Consultant</b>
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#### TERMS OF REFERENCE

The Group is fully committed to its Code of Ethics covering ethical standards. The Group's Code of Ethics is monitored by the Ethics Committee, which has the mandate to receive and deal with any complaint relating to same and to ensure that it is regularly updated.

#### TERMS OF REFERENCE

The aim of the Strategy and Investment Committee is to assist the Board in discharging its duties relating to strategic investment or disinvestment decisions. The Committee reviews and recommends to the Board significant investment or disinvestment choices based on input provided by the management team. It has neither managerial nor decisional powers. The Committee consists of a minimum of three and a maximum of six directors appointed by the Board, at least half of whom should be non-executive directors and preferably independent. The Board appoints a chairman from amongst the non-executive members of the Committee. The Board reviewed the terms of reference of the Committee in November 2020.

The Group's updated Code of Ethics, which includes a whistle-blowing policy monitored by Transparency Mauritius, was officially launched in 2014. All Board members, senior executives, staff and employees were invited to renew their commitment to abide by the Code of Ethics. One whistle-blowing case was reported at the end of 2020 and is under investigation. During the year the Group Ethics Officer continued to devote time to encouraging the Group's stakeholders, such as contractors and suppliers, to follow the Code of Ethics so as to ensure its successful implementation. The latter has been recently reviewed and the new version will be issued and communicated to all stakeholders in the coming months.

The Board reviewed the terms of reference of the Committee in November 2020.

#### MEETING SCHEDULE

The Committee met twice in 2020 and the attendance of individual directors at meetings is detailed in the table on pages 84 and 85.

#### COMMITTEE FOCUS IN 2020

- Report of the Ethics Officer on its activities.
- Renewed the agreement with Transparency Mauritius for the whistle-blowing services.
- Dissemination of information on ethics within the Group.
- Review of the Code of Ethics.
- Action plan of the Ethics Officer for 2021.

# Corporate governance report (cont'd)

## REMUNERATION OF DIRECTORS AND REMUNERATION POLICY

### DIRECTORS

All Board directors are remunerated according to a fixed fee, as well as an additional fee for each Board and committee meeting attended. The Chairman is remunerated in a similar manner, but at a higher rate. The Board's remuneration is recommended by the Corporate Governance Committee and is submitted to the Annual Meeting for approval. The Board approves the committee fees.

The remuneration received by directors from the Company varied according to the number of meetings held and attended in 2020 and the number of committees on which they sat. The non-executive directors do not receive any remuneration in the form of share options or in relation to the Company's or the Group's performance.

### EXECUTIVES

As regards executive directors, the remuneration policy, which is determined by the Corporate Governance Committee, aims at:

- Aligning executive remuneration with the Group's business objectives and shareholder value;
- Attracting, retaining and motivating high-calibre executives capable of achieving the Group's objectives;
- Motivating executives to achieve ambitious performance levels; and
- Recognising performance at both individual and corporate level.

The overall remuneration of executive directors includes a basic salary, pension and other benefits, as well as a variable annual performance bonus, in addition to the fixed and per meeting directors' fees. The variable performance bonus is in line with the above-mentioned policy objectives and is based on a percentage of the Group or relevant company's profit after tax, after deduction of any item of exceptional or non-operational nature, as well as on the achievement of agreed Key Result Areas.

The individual remuneration received from the Company by the directors in office on 31 December 2020 is as follows:

Directors	2020 (MUR'000)	2019 (MUR'000)
Maurice de M. Enouf	745	779
Dominique de Froberville	709	689
Alexis Harel	686	778
Didier Harel	839	787
Henri Harel	546	527
Nicolas Maigrot	546	527
Pascal Raffray	546	254
Alain Rey (Chairman)	1,664	1,573
Nikhil Treebhohun	853	676
Alain Vallet	546	527
Margaret Wong Ping Lun	1,068	960

The variable annual performance bonus represents a significant percentage of the total remuneration of the executive directors. This aims at better aligning the objectives set for these directors with those of the Group and provides an added incentive to respond to the challenges which the Group faces.

The Corporate Governance Committee has retained outside consultants to provide independent market information and advice relating to the regular review of executive performance and remuneration.

The executive directors do not receive any fees in their capacity of directors of subsidiaries. They may however receive a remuneration from the subsidiary which is their employer.

The remuneration and benefits received by the directors from the Company and its subsidiaries as at 31 December 2020 are disclosed in the Statutory Disclosures on page 112.

## RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

Related party transactions are disclosed in aggregate in Note 40 to the Financial Statements. During the year, there were no material transactions between Terra or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder. Conflicts of interest, if any, have been properly declared by interested directors and were properly managed according to the Conflict of Interest policy of the Group.

## SHARE OPTION PLAN

The Group has no share option plan.

## MANAGEMENT AGREEMENTS

Except for the management contracts between Ivoirel Limitée and Sucrivoire, between Terrarock Ltd and The United Basalt Products Ltd, and the management agreement between Terragri Ltd and Beau Plan Campus Ltd, there are no management agreements with third parties to which Terra or a subsidiary is a party.

## INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has overall ultimate responsibility for the system of internal control and risk management. Details on the way the Board delivered its duties in that respect, with the help of the Audit and Risk Committee, are provided on pages 103 to 105 of this report.

## HEALTH, SAFETY AND ENVIRONMENT

An overview of the Group's Health and Safety activities and of environmental performance is provided on pages 75 to 79 of this report.

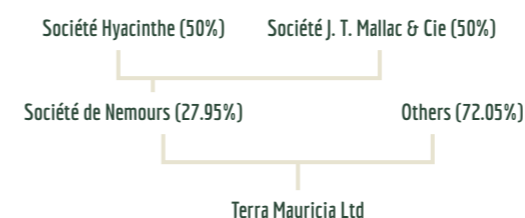
## DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Political and other donations made during the year are shown on page 113. Until further notice the Board has decided to maintain the current practice of disclosing in aggregate the political contributions.

The Group's policies and practices in relation to corporate social responsibility are detailed on pages 79 to 81.

## HOLDING STRUCTURE

As at 31 December 2020, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



## GROUP STRUCTURE

The Group structure is provided on page \*\*. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 92) and the Strategy and Investment Committee, before being submitted to the relevant Board's approval. Information is exchanged within the Group through the Executive Committee, as well as the various management committees that have been set up for each cluster. The Group's risks are managed at the cluster level by each General Manager, each of whom has signed an acknowledgement in that respect. These risks are monitored at Group level by a Group Risk Management Committee through a risk management framework and a risk register, under the supervision of the Audit and Risk Committee.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

Name	Direct	Indirect
Mallac Sim Armelle	0.69%	5.57%
Moulin Cassé Ltée	1.09%	9.52%
Société de Nemours	27.95%	-
Société Hyacinthe	-	13.98%
Société J.T. Mallac & Cie	1.09%	13.98%

It should be noted that Moulin Cassé Ltée holds its indirect interest through Société Hyacinthe, which is a member of Société de Nemours. Mrs Armelle Mallac Sim holds her indirect interests through Société J.T. Mallac & Cie and through Sociétés Adamal, Albamal, Amal and Aramal, which are members of Société J.T. Mallac & Cie and also hold shares directly in the Company. To date, no other entity or individual has reported an interest of 5% or more in the share capital of Terra.

## COMMON DIRECTORS

As at 31 December 2020, the following directors were common to Terra and the Group's holding entities:

Directors of the company	DIRECTORS OF HOLDING ENTITIES		
	Société de Nemours	Société Hyacinthe	Société J.T. Mallac & Cie
Maurice de Marassé Enouf	x		x
Dominique de Froberville	x		x*
Alexis Harel	x	x	
Henri Harel	x	x	
Alain Rey	x*		
Alain Vallet	x	x*	

\*: Chairman

While there is no formal meeting between the Board and the main shareholders of Terra other than the Annual Meeting, these common directors allow the Board to remain aware of the concerns of the major shareholders.

# Corporate governance report (cont'd)

## SHAREHOLDERS' AGREEMENT

Terra is not a party to any shareholders' agreement and, to the best of its knowledge, there is no shareholders' agreement between its direct shareholders.

## DIVIDEND POLICY

The Board has no formal dividend policy. Having regard *inter alia* to Group performance, capital expenditure, debt servicing requirements and investment needs, as well as any uncertainties facing the Group, the Board nevertheless aims to distribute a yearly dividend that is considered sustainable in the medium to long-term, under normal circumstances.

## SHAREHOLDERS' AND STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Group understands the importance of communicating with its shareholders and ensures that they are kept informed on matters affecting Terra. An overview of the relationships with the main stakeholders is provided on pages 26 and 27. Communication is effected via the Annual Report, the Sustainability Report, circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group unaudited quarterly and audited abridged financial statements, dividend declarations, Terra's website and social media, where visitors can leave questions or comments, and the Annual Meeting, to which all shareholders are invited.

Moreover, all directors are invited and encouraged, save for exceptional circumstances, to attend the Annual Meeting and to be available to answer shareholders' questions. In 2019, all directors attended the meeting while eight out of eleven directors attended the meeting in 2020. Since 2003, it has been the practice to allow for the postal vote of shareholders at the Annual Meeting of Harel Frères and subsequently of Terra.

The main institutional investors and investment managers are invited each year to attend a presentation on the published audited results and to put questions to Management. This exercise is well attended and welcomed by the investing community.

In addition to the institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry, the Mauritius Sugar Syndicate or the Mauritius Cane Industry Authority, through which the Group is able to engage with its stakeholders, there are regular contacts established with the local communities. Those contacts are made, either directly or via the local authorities, on a frequent or ad-hoc basis, to remain apprised of the concerns and expectations of the stakeholders. There has been a number of social impact surveys conducted in the neighbouring regions, including in the context of the future Beau Plan Smart City, to help the Group engaging with the local *forces vives* and communities. Forums are also regularly organised by Terra Foundation with NGOs to assess their work, needs or expectations, and also to find ways of going beyond the strictly financial aspect of corporate social responsibility (CSR).

## SHARE INFORMATION

Information relating to share distribution and Stock Exchange performance is set out on pages 106 to 109. Dates of important events are also noted.



**Terra Services Ltd**  
Secretary  
14 July 2021