

# 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 eight 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 adequately explains of how these principles have been applied by the Company and its subsidiaries ("the Group").

## Constitution

Terra's constitution conforms 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.

## 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. Considering recommendations made by Management, the Board makes strategic choices and decisions, 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 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 is reviewed regularly and was last reviewed in 2021. The Directors are aware of their legal duties.

The Board 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. The Board regularly review these policies. Each year, the Board also approves the main clusters' significant expenditures on information technology, together with their annual capital expenditure budgets.

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. Board meeting dates are generally set well in advance to enable Directors to manage their other commitments. As required by the Board Charter, the Directors receive the Agenda of Board meetings at least five working days before the meeting, as well as the relevant documents and papers. The attendance of Directors at Board and committee meetings in 2021, as well as at the Annual Meeting of shareholders, is set out on pages 80 to 82. The Board of Terra met eight times during the year, including a special full-day session dedicated to Group strategy.

# Corporate Governance Report (Cont'd)

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 80 to 89. Consultants are also invited to attend Board meetings when necessary and, in 2022, several of them made presentations to the Board.

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

- Ensuring that the Company acted as a socially responsible entity;
- Approving the audited consolidated annual and interim financial statements and their abridged version for publication, as well as the Annual Report;
- 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;
- Considering reports from the Board committees;
- Overseeing key risk areas and ensuring effective risk management processes;
- Declaring final dividends for the year ended on 31 December 2022;
- Providing guidance and leadership in the corporate governance arena;
- Regularly reviewing and optimising the Company's debt profile; and
- Considering, providing input and approving the Group's strategy for the forthcoming financial year.

## 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. The Board's size and composition are appropriate, considering the structure of the shareholding, and provide an adequate number of independent and executive Directors. The present mix is considered sufficient to avoid group think at the level of the Board.

The Directors who were in office during the year ended 31 December 2022 are those listed on pages 80 to 82.

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 257. The external obligations of the Chairman have not changed in 2022 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 two female members on the Board. None of the independent Directors have yet served for more than nine years on the Board. If this was the case, the Board would regularly examine the Director's situation and performance to determine if he/she would still be considered independent.

The Code of Corporate Governance, as well as the Board charter, provides criteria to determine 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. Mr Didier Harel and the Chairman have cross Directorships in one company at non-executive level. However, the Board again carefully considered this matter and resolved that there is no perceived reason why Mr Didier Harel should 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 by this cross Directorship.

Although the Chairman is not considered as being independent, as he is also the Chairman of Société de Nemours, the ultimate holding entity of Terra, he has no link with the shareholding of Société de Nemours and has also shown objectivity and an independence of judgement in performing his duties.

At the Annual Meeting held in 2022, one Director who retired from office by rotation was eligible for re-election and was re-elected. Two non-executive Directors were appointed to fill vacancies. Under Section 138 (6) of the Companies Act, one non-executive Director, namely Mr Didier Harel, was proposed for re-election and was re-elected. The latest Board evaluation confirmed his performance and commitment. A new non-executive director will be proposed for election in replacement of Mr Nikhil Treebhooon, who has served on the Board for nine years.

The Board is of the opinion that the rotation of three Directors each year, as provided by Terra's constitution 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 Board committees – to be reasonably familiar with the intricacies of the Group's operations. This ensures they can exercise the expected 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 succession planning, including senior executives and the nomination process of Directors. This responsibility 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 their professional development. The latest Board Effectiveness Evaluation provided the opportunity to discuss this specific matter with the Directors and to assess their training needs.

## Directors' interests in the share capital of Terra Mauricia Ltd

The Directors' interests in the Company's securities as at 31 December 2022 pursuant to the Listing Rules are as follows:

	Ordinary Shares			
	Direct		Indirect	
	Shares	%	Shares	%
<b>Directors</b>				
Thierry d'Arifat	-	-	-	-
Dominique de Froberville	-	-	266	0.00%
Alexis Harel	30,133	0.01%	74,083	0.03%
Didier Harel	-	-	-	-
Henri Harel	413,666	0.18%	35,200	0.02%
Nicolas Maigrot	-	-	-	-
Anna Mallac-Sim	133	0.00%	4,758,211	2.09%
Pascal Raffray	-	-	-	-
Kalindee Ramdhonee	-	-	-	-
Alain Rey	-	-	-	-
Nikhil Treebhoohun	-	-	-	-
Total	443,932	0.20%	4,867,760	2.14%
Total issued shares	227,545,624			

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, none of the Directors bought or sold shares of Terra.

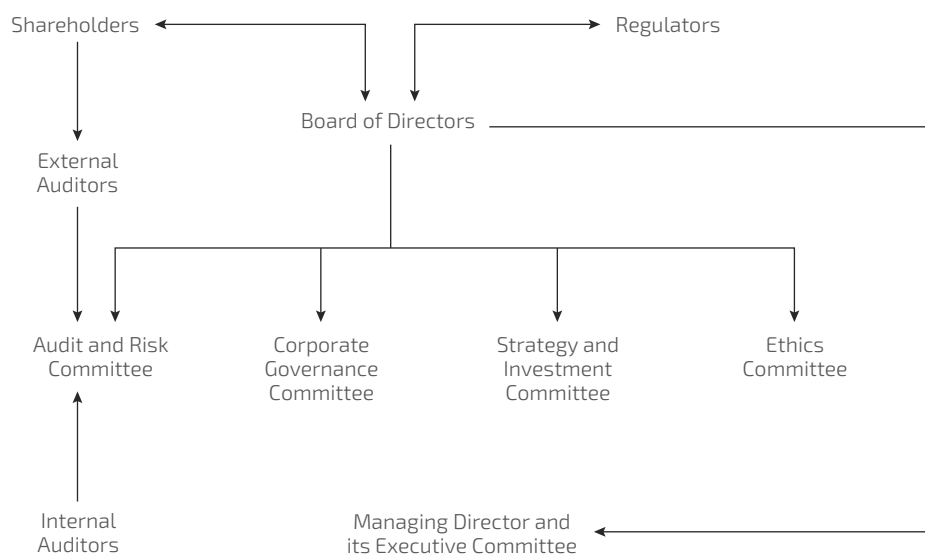
# Corporate Governance Report (Cont'd)

## Group Company Secretary

Directors have direct access to the advice and services of the Group Company 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. He further 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. Among its directors, Terra Services Ltd has one member of the Institute of Chartered Secretaries and Administrators of the United Kingdom and one Chartered Accountant. An interest register is maintained by the Group 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 and to Board committees with clearly defined mandates. Their terms of reference, which have been approved by the Board, were reviewed in 2020. They are posted on Terra's website, along with the position statement of each senior governance position within the Company and the Group's organisational structure. The Board also approved these items, which were reviewed in 2021. While an independent Director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees to ensure a smooth and proper coordination between these committees and the Board.



## Group Compliance function

The Group has a Compliance function which is ensured by a Group Compliance and Money Laundering Reporting Officer, who ensures the compliance of all relevant Group companies with the laws and regulations pertaining to the Financial Intelligence and Anti-Money Laundering Act as well as the Anti-Money Laundering and Combatting the Financing of Terrorism Act.

## Board committees

### Audit and Risk Committee

#### Composition

##### Members:

Margaret Wong Ping Lun (up to 10 November 2022)	Chairperson: Independent non-executive
Kalindee Ramdhonee (as from 16 November 2022)	Chairperson: Independent non-executive
Pascal Raffray	Member: Non-executive
Nikhil Treebhohun	Member: Independent Non-executive

##### Other regular attendees:

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

#### 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 and monitoring the effectiveness of the systems of internal control, including internal financial control, 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.

#### External auditors

At the Annual Meeting held in November 2022 the shareholders approved the re-appointment of BDO & Co, who were first appointed in 2020. Details of audit and non-audit fees are disclosed on page 119.

#### Meeting schedule

The Audit and Risk Committee met six times in 2022 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by Directors is set out on pages 80 to 82. Critical policies, judgements and estimates were discussed when the Committee met with the external auditors to review the financial statements. On that occasion, the Committee met the auditors outside the presence of management.

# Corporate Governance Report (Cont'd)

## Committee focus in 2022

- 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 2022;
- Review of internal audit reports; and
- Regular review of the effectiveness of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM) approach and reviewing the risk registers of each cluster.

## Grays' Audit and Risk Committee

Given that 26% of Grays Inc. is owned by Distell Group, a strategic partner, and taking into account the complexity of its activities, Grays Inc. has a separate Audit and Risk Committee. This Committee is under the chairmanship of Deon Louw, a representative of the strategic partner, with Henri Harel and Dominique de Froberville as members. The Committee reports to the Board of Grays Inc. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. Grays' Audit and Risk Committee met on two occasions during the year. The first meeting focused on the management letter from the external auditors, the audited financial statements, and a follow-up report from the internal auditor. The second meeting focused on the external audit plan, the engagement letters and fees for the hiring of services regarding the preparation of financial statements and the tax computation, the review of three internal audit follow-up reports, and the finalisation of the internal audit plan for 2023.

## Corporate Governance Committee

### Composition

#### Members throughout the year:

Alain Rey	Chairman: Non-executive
Didier Harel	Member: Independent Non-executive
Margaret Wong Ping Lun (up to 10 November 2022)	Member: Independent Non-Executive
Kalindee Ramdhonee (as from 16 November 2022)	Member: Independent Non-Executive

#### In attendance:

Nicolas Maigrot	Executive
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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 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 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 80 to 82.

### Committee focus in 2022

- Reviewing the Corporate Governance Report and Annual Report for the year ended 31 December 2021;
- Appointment and re-appointment of Directors;
- Preparation of Annual Meeting held on 10 November 2022;
- Composition of boards of Directors of subsidiaries and associated companies;
- Review and approval of the remuneration of senior executives;
- Board self-evaluation;
- Determination of the variable portion of senior executives' remuneration;
- Review of and recommendations for the Directors' remuneration; and
- Renewal of the Directors and Officers Liability Insurance Policy.

### Board evaluation

A follow-up of the Board Effectiveness Evaluation held in the first quarter of 2020 with the help of Ernst & Young (EY) was done by EY in the second half of 2022. The evaluation also reviewed the performance of the Board committees and the individual Directors. The report was subsequently submitted to the Committee and to the Board in the first quarter of 2023. Appropriate measures will be taken regarding the improvement areas identified by the report.

## Strategy and Investment Committee

### Composition

#### Members throughout the year:

Alain Rey	Chairman: Non-executive
Dominique de Froberville	Member: Non-executive
Nicolas Maigrot	Member: Executive
Alexis Harel	Member: Executive
Didier Harel	Member: Independent Non-executive
Henri Harel	Member: Executive

#### In attendance:

Julien Rousset	Head of Corporate Development
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### Terms of reference

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

### Meeting schedule and Committee focus in 2022

The Strategy and Investment Committee met four times in 2022. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, including new projects for the Property and Leisure cluster, the Group's financing requirements and made several recommendations to the Board. The attendance of individual Directors at these meetings is detailed in the table on pages 80 to 82.

# Corporate Governance Report (Cont'd)

## Ethics Committee

### Composition

#### Members throughout the year:

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Alain Rey	Chairman: Non-executive
Christopher Park	Member: Human Resources Manager
Nikhil Treebhoohun	Member: Independent Non-executive
Louis Denis Koenig	Member: Administrative Executive

#### In attendance:

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Gilbert Bouic (Group Ethics Officer)	Consultant
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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 deal with any complaint relating to the Group's Code of Ethics and to ensure that it is regularly updated. The Committee is seconded in its mission by the Group Ethics Officer who holds a Certificate from the Ethics Institute of South Africa.

The Group's Code of Ethics, which includes a Whistle-blowing Policy monitored by Transparency Mauritius, was reviewed in 2021. All Board members, senior executives, staff, and employees have been invited to renew their commitment to abide by the Code of Ethics. During the year, an e-Learning module was launched for all employees with access to a computer to enable them to become more familiar with the revised Code and to validate their comprehension and commitment online. For those who did not have access to a computer, live sessions were organised by the Group Ethics Officer with the help of Transparency Mauritius. One whistle-blowing case was reported through Transparency Mauritius at the end of 2022 and has been duly and satisfactorily investigated. During the year, the Group Ethics Officer continued to devote time to encouraging the Group's employees and stakeholders, such as contractors and suppliers, to adhere to the revised Code of Ethics to ensure it is successfully implemented.

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

### Meeting schedule

The Committee met twice in 2022 and the attendance of individual Directors at meetings is detailed in the table on pages 80 to 82.

### Committee focus in 2022

- Report of the Group Ethics Officer on its activities;
- Renewed the agreement with Transparency Mauritius for the whistle-blowing services;
- Dissemination of information on ethics within the Group; and
- Reviewing the action plan of the Group Ethics Officer for 2023.



## 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 submitted at 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 2022 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.

The individual remuneration received from the Company by the Directors in office on 31 December 2022 is as follows:

Directors	2022 MUR'000
Dominique de Froberville	846
Thierry de Labauve d'Arifat	143
Alexis Harel	1,103
Didier Harel	1,008
Henri Harel	689
Nicolas Maigrot	689
Anna Mallac-Sim	689
Pascal Raffray	945
Kalindee Ramdhonee	143
Alain Rey (Chairman)	2,013
Nikhil Treebhoohun	1,023

### Executives

Regarding 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 individual and corporate level.

In addition to the fixed and per meeting Directors' fees, the overall remuneration of executive Directors includes a basic salary, pension and other benefits, as well as a variable annual performance bonus. The variable performance bonus is in line with the above-mentioned policy objectives and is based on a percentage of the Group's or relevant company's adjusted 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 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 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. However, they may receive remuneration from the subsidiary that is their employer. For reasons of confidentiality and due to the market sensitivity of the information, the Board of Directors has decided not to disclose the individual remuneration that executive Directors receive from subsidiaries.

The remuneration and benefits received by the Directors from the Company and its subsidiaries as at 31 December 2022 are disclosed in the Statutory Disclosures on page 118.

### 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 Group's Conflict of Interest Policy which is posted on Terra's website.

### 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.

# Corporate Governance Report (Cont'd)

## Internal controls and risk management

The Board has 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 109 of this report.

## Health, safety and environment

An overview of the Group's Health and Safety activities and its environmental performance is provided on pages 73 to 75 of this report.

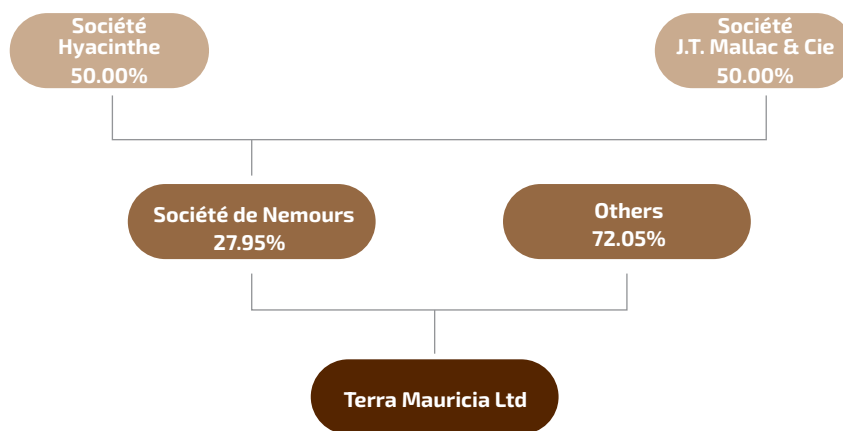
## Donations and corporate social responsibility

Political and other donations made during the year are shown on page 119. 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 (CSR) are detailed on pages 76 and 77.

## Holding structure

As at 31 December 2022, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



## Group structure

The Group structure is provided on page 259. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 90) and the Strategy and Investment Committee, before being submitted to the relevant Board for its approval. Information is exchanged within the Group through the Executive Committee, as well as via the various management committees 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 risk register, under the supervision of the Audit and Risk Committee.

## Substantial shareholders

As at 31 March 2023, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

	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 Société Amée, which is a member of Société J.T. Mallac & Cie and also holds 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 2022, 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
Anna Mallac-Sim	x		
Dominique de Froberville	x		x*
Alexis Harel	x	x	
Henri Harel	x	x*	
Thierry de Labauve d'Arifat	x		
Alain Rey	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.

## 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. However, under normal circumstances, and considering *inter alia* the Group's performance, capital expenditure, debt servicing requirements and investment needs, as well as any external uncertainties the Group is facing, the Board aims to distribute a yearly dividend that is considered sustainable in the medium to long term.

# Corporate Governance Report (Cont'd)

## 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 2021 and 2022 all Directors attended the meeting. 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 generally 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.

The Group engages with its stakeholders via institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry, the Mauritius Sugar Syndicate and the Mauritius Cane Industry Authority. The Group also regularly engages with local communities. Contacts with the Group's stakeholders is made directly or via the local authorities on a frequent or ad-hoc basis. This enables the Group to remain apprised of the concerns and expectations of its stakeholders. Several social impact surveys have been conducted in the neighbouring regions, including in the context of the future Beau Plan Smart City, to help the Group when engaging with the local *forces vives* and communities. Terra Foundation also regularly organises forums with NGOs to assess their work, needs or expectations, and also to find ways of going beyond the strictly financial aspect of CSR.

## Share information

Information relating to share distribution and Stock Exchange performance is set out on pages 110 to 114. Dates of important events are also noted.



**Terra Services Ltd**  
Secretary

27 April 2023