

# Governance

“Alone we can do so little;  
together we can do so much.”

HELEN KELLER





# Our Leadership

## BOARD OF DIRECTORS

**ALAIN REY**  
Non-Executive Chairman  
*First appointed to the Board in 2016*

BSc (Hons) in Economics  
(London)

Member of the Institute  
of Chartered Accountants  
in England and Wales



**DOMINIQUE  
DE FROBERVILLE**  
Non-Executive Director  
*First appointed to the Board in 2011*

Maîtrise en Chimie Industrielle  
(France); MBA (England)



**ALEXIS HAREL**  
Executive Director  
*First appointed to the Board in 2011*

BSc Business Administration  
(USA)

**DIDIER HAREL**  
Independent Non-Executive  
Director  
*First appointed to the Board in 2016*

MBA, INSEAD (Institut  
Européen d'Administration  
des Affaires) (France)

BSc Eng. (Hons) in Chemical  
Engineering and Chemical  
Technology (UK)



**HENRI HAREL**  
Executive Director  
*First appointed to the Board in 2011*

ACIS (South Africa)



**NICOLAS MAIGROT**  
Managing Director  
*First appointed to the Board in 2016*

BSc Management Sciences  
(London)



**ANNA MALLAC-SIM**  
Non-Executive Director  
*First appointed to the Board in 2021*

Master d'Architecture – ESA (Paris)

Diplôme d'Habilitation à la Maîtrise  
d'Œuvre en son Nom Propre  
(HMONP) – ESA (Paris)



**MARGARET WONG PING LUN**  
Independent Non-Executive  
Director  
*First appointed to the Board in 2012*

Fellow of the Institute of Chartered  
Accountants in England and Wales

BA Honours in Business Studies  
(London)



**PASCAL RAFFRAY**  
Non-Executive Director  
*First appointed to the Board in 2019*

BA in Economics and Finance,  
INSEEC (France)



**LOUIS DENIS KOENIG**  
Secretary to the Board  
Administrative Executive  
and Managing Director of  
Terra Services Ltd

Maîtrise ès Sciences Economiques  
(Economie d'Entreprise)

Diplôme d'Etudes Supérieures  
Spécialisées en Finance (France)



**NIKHIL TREEBHOOHUN**  
Independent Non-Executive  
Director  
*First appointed to the Board in 2014*

BSc (Hons) Economics,  
Industry and Trade (UK)

Postgraduate Diplomas  
in Financial Management  
(Australia) and in  
Development Planning  
Techniques (Netherlands)

Fellow of the  
World Academy of  
Production Science

- ARC: Audit and Risk Committee
- CGC: Corporate Governance Committee
- SIC: Strategy and Investment Committee
- EC: Ethics Committee
- BM: Board meetings
- AM: Annual Meeting
- Chairperson
- Secretary

# Our Leadership (cont'd)

## BOARD OF DIRECTORS (CONT'D)

ALAIN REY (62)		
Manager at Citibank NA (Paris) 1986-1988		
Financial Director and General Manager in the Mauritian textile industry 1988-2005		
Regional Corporate Director at Barclays Bank in Mauritius 2005-2006		
Chief Executive Officer of Compagnie Sucrière de Mont Choisy 2007-2015		
Board member at Afrasia Bank 2006-2009		
Board member at The State Bank of Mauritius 2009-2015		
Current outside directorships of listed and quoted/non-listed companies:		
Listed	Quoted/non-listed	
MCB Group Limited	CIEL Textile Ltd	Precigraph Ltée
New Mauritius Hotels Ltd	Quantum Ltd	MCB Microfinance Ltd

DOMINIQUE DE FROBERVILLE (62)		
Production Manager in the paint and optical industries 1985-1988		
Manager of two textile groups 1988-2000		
Director of Operations and then Chief Executive Officer at Mauritius Freeport Development 2001 to date		
Former council member of the Mauritius Employers Federation and member of the Mauritius Exporters Association.		

ALEXIS HAREL (59)		
Auditor and Trainer at De Chazal Du Mée (Chartered Accountants) 1985-1986		
General Manager at Elastico Ltd 1986-1988		
Director at Dataphon (Mtius) Ltd 1988-1992		
Commercial Executive and then Managing Director at Grays 1992 to date		
Member of Terra's Executive Committee		
Directorships of listed companies:		
United Docks Ltd		

DIDIER HAREL (70)		
From Sales Engineer at Esso in Mauritius to General Manager of Esso in Reunion and to International Sales and Supply Coordinator at Esso Africa Head Office in the UK 1974-1988		
Managing Director of downstream subsidiaries of Total in Zambia and Zimbabwe, Executive Vice-President in charge of Total's downstream operations in East Africa, Indian and Pacific Oceans at Africa-Middle East Head Office in Paris, Managing Director and CEO of Total South Africa Pty Ltd in Johannesburg, Executive Director of Logistics of Total France in Paris and Managing Director and CEO of Total UK Ltd in Watford 1989-2012		
Chairman and CEO of Société Anonyme de Gestion des Stocks Stratégiques (SAGESS) 2012-2015		
Directorships of listed companies:		
MCB Group Limited		

HENRI HAREL (61)		
Auditor at De Ravel, Boulle, Saad & Wyman (Chartered Accountants) 1981-1984		
Internal Auditor at Toyota SA Manufacturing 1984-1988		
Financial Accountant at Amalgamated Beverage Industries (Coca-Cola South Africa) 1988-1990		
Financial Controller at Société de Gérance de Mon Loisir 1991-1996		
Financial Controller and then Group Chief Finance Officer and Executive Committee member at Terra 1997 to date		
Directorships of listed companies:		
Swan General Ltd		

NICOLAS MAIGROT (53)		
From Management Controller to Chief Executive Officer at Floreal Knitwear and Ciel Textile 1989-2010		
Chief Executive Officer of Ireland Blyth 2010-2015		
Managing Director of Terra 2016 to date		
Chairman of Terra's Executive Committee		
Directorships of listed companies:		
Swan General Ltd		
United Docks Ltd		

ANNA MALLAC-SIM (33)		
Associate of LPB Architectes (Paris) 2011-2015		
Collaboration with several local architectural firms in Mauritius 2016-2017		
Teacher at Ecole Nationale d'Architecture de Nantes on its Mauritian campus 2018 to date		

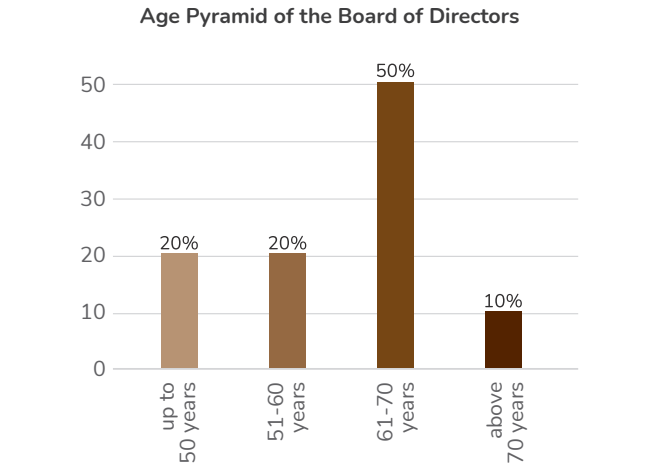
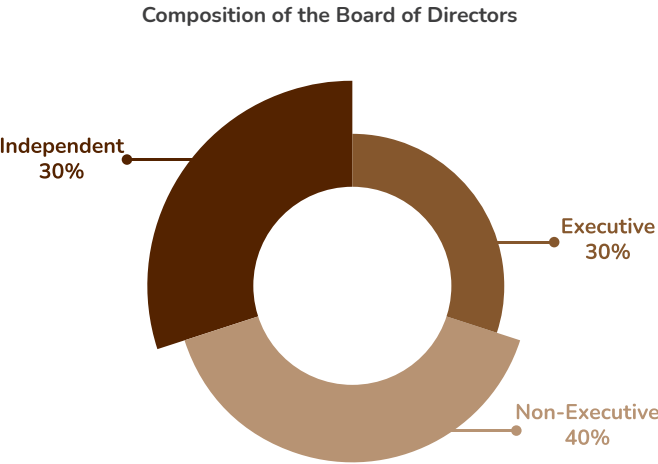
PASCAL RAFFRAY (46)		
Sales Assistant at Donaldson Lufkin & Jenrette (Paris) 1999-2000		
Trader on US equities at Credit Suisse (Paris) 2000-2007		
Trader on International equities at Neuflyze OBC (ABN AMRO Group) (Paris) 2007-2013		
Dealing services – global products at BNP Paribas (Paris) 2013 to date		

## BOARD OF DIRECTORS (CONT'D)

NIKHIL TREEBHOOHUN (67)		
Teacher in Economics at secondary level 1978-1981		
Senior positions at Ministry of Economic Planning and Development and Ministry of Industry 1981-1987		
Lecturer in Economics at the University of Mauritius 1987-1989		
Projects Manager at the Industrial and Vocational Training Board 1989-1992		
Director of the Export Processing Zone Development Authority 1992-2000		
Executive Director of the National Productivity and Competitiveness Council (NPCC) 2000-2005		
Adviser and Head of the Trade Section of the Commonwealth Secretariat 2005-2011		
Chairman of Oxford International Consultants (Mauritius) 2011		
Chief Executive Officer of Global Finance Mauritius 2011-2014		

MARGARET WONG PING LUN (68)		
Manager of the Consultancy Department of De Chazal Du Mée, (Chartered Accountants) 1985-1990		
Lecturer in Accounting and Finance at the University of Mauritius 1991 to her retirement in August 2019		
She was a member of the Listing Executive Committee of the Stock Exchange of Mauritius		
Directorship of listed companies:		
Fincorp Investment Ltd		

LOUIS DENIS KOENIG (SECRETARY TO THE BOARD) (55)		
Statistician at the Anglo-Mauritius Assurance Society 1989-1990		
Assistant Secretary and then Administrative Executive at Terra 1990 to date		
Dealer's Representative at Cavell Securities Ltd and member of The Stock Exchange of Mauritius instances 1992-2006		
Fellow of the Mauritius Institute of Directors and Director of several subsidiaries of Terra		
Member of Terra's Executive Committee		

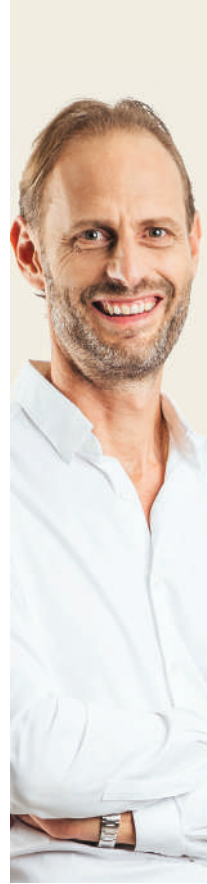









# Our Leadership (cont'd)

## MANAGEMENT TEAM

MARIE-ANNICK AUGUSTE	NICOLAS EYNAUD	EDWIGE GUFFLET	JEAN-MARC IWEINS	STEEVE LAREINE	CINDY LEUNG
CSR MANAGER (TERRA FOUNDATION)	GENERAL MANAGER (NOVATERRA)	MANAGING DIRECTOR (L'AVENTURE DU SUCRE)	PLANT MANAGER (TERRAGEN)	GROUP FINANCE MANAGER	DISTILLERY MANAGER (GRAYS DISTILLING)
					

SÉBASTIEN MAMET	IQRA MOSAHEB	CHRISTOPHER PARK	JULIEN ROUSSET	ASHWAN SEEPARSAD	JOËLLE WONG HING NANG
GENERAL MANAGER (AGRICULTURE)	GROUP LEGAL ADVISOR	GROUP HUMAN RESOURCE MANAGER	HEAD OF CORPORATE DEVELOPMENT	GROUP IT MANAGER	HEAD OF TREASURY (TERRA FINANCE)
					

# Our Leadership (cont'd)

## MANAGEMENT TEAM (CONT'D)

<b>MARIE-ANNICK AUGUSTE (51)</b> <b>BA in Psychology and Communication (South Africa)</b>  Marie-Annick Auguste started her career at the South African High Commission in 1991, working as confidential secretary in the political section. From 2001 to mid-2002, she worked at Desbro International, part of the Rogers Group. From 2002 to 2009, she was Head of the Sponsorship, Fundraising and Public Relations Department of SOS Children's Villages Mauritius. She was appointed as Terra Foundation's CSR Officer in May 2010 and is now its CSR Manager.
<b>NICOLAS EYNAUD (53)</b> <b>National Diploma in Land Surveying (South Africa)</b>  Nicolas Eynaud started his career in 1991 at SDDSR (Land Surveyors), where he became a partner in 1995. There, he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral, a service company providing full land management and commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon, Nicolas Eynaud joined the Group in January 2016.
<b>EDWIGE GUFFLET (53)</b> <b>Maîtrise ès Sciences Economiques (France)</b> <b>MBA (USA)</b>  Edwige Gufflet started her career in the banking sector in 1993 and worked there until 1998. She then moved on to project management at CIEL Textile until 2003. The same year, she joined <i>L'Aventure du Sucre</i> as General Manager and was promoted Managing Director in December 2012.
<b>JEAN-MARC IWEINS (41)</b> <b>Diplôme d'Ingénieur Généraliste de l'ICAM Lille (France)</b>  After working ten years as account manager for water treatment activities in the French West Indies and in the Indian Ocean islands, Jean-Marc Iweins joined Albioma in 2014 as deputy power plant manager of Albioma Bois-Rouge in Reunion Island. He held this function from 2014 to 2018. He has been managing the Terragen power plant since July 2018.

<b>STEEVE LAREINE (57)</b> <b>Fellow of the Association of Chartered Certified Accountants (UK)</b> <b>Member of the Mauritius Institute of Professional Accountants</b>  Steeve Lareine started his professional career with De Chazal du Mée & Co (Chartered Accountants) in the Auditing and subsequently in the Consulting Department. Before joining the Group in 1999, he was employed as Divisional Accountant at Rey & Lenferna.
<b>CINDY LEUNG (43)</b> <b>BSc (Hons) Biology with Environmental Sciences</b>  Cindy Leung started her career as Head of the Quality department of Innodis Ltd in 2000, before being appointed Production Manager and subsequently Manager – Procurement & Quality in 2012, where she embraced new responsibilities in the commercial and logistics arms of Innodis Ltd. She joined Grays Inc. Ltd in 2015 as Supply Chain Manager, and since January 2019, she has been entrusted the additional task of managing Grays Distilling Ltd until 31 May 2022, when she left the Group.
<b>SÉBASTIEN MAMET (46)</b> <b>Chartered Accountant (UK)</b>  After working in the Audit Department of Ernst & Young in London and in Mauritius for eight years, Sébastien Mamet joined the Corporate Finance Division of PricewaterhouseCoopers Mauritius in 2004. As Senior Manager of the division, he advised clients on inter alia mergers and acquisitions, business plans, finance raising and financial restructuring. He joined Harel Frères in 2009 to head its new strategic development function. As a member of the Management Committee, he used to advise on the Group's strategic orientation and was responsible for implementing new business developments. He was appointed as General Manager (Agriculture) in 2016.
<b>IQRA MOSAHEB (45)</b> <b>LLB (Hons) (Mauritius), LLM (Bristol, UK), MBA (Paris-Dauphine, France)</b> <b>Barrister at Law</b>  Called to the Mauritian Bar since 2002, Iqra Mosaheb started her career in the offshore sector. She has, over the last 16 years, acquired extensive experience in corporate legal services, including in overseeing group in-house legal services, both in the financial services and in non-financial services sectors, with an enhanced focus on banking services. Iqra joined Terra in 2017.

## MANAGEMENT TEAM (CONT'D)

<b>CHRISTOPHER PARK (39)</b> <b>BCom HRM, Management and Business Law (University of Western Australia)</b> <b>MCom Human Resources and Marketing (University of Western Australia)</b>  Christopher Park started his career in Australia in 2006 where he worked for the country's largest human resource consulting and recruitment company, Chandler Macleod, as HR and Recruitment Consultant. Upon his return to Mauritius in 2009, he worked in several companies in a variety of senior management roles including DCDM Core Services, Adecco Mauritius and Cim Group. He was employed by Rogers as Corporate HR Manager from October 2012, before joining Terra as Group HR Manager in December 2013.
<b>JULIEN ROUSSET (40)</b> <b>MSc in Management (France)</b>  After working in China for five years in the engineering field and setting up a wholly foreign-owned bank in Shanghai, Julien Rousset joined the sugar cane industry in Tanzania and Mauritius for four years, heading a number of strategic developments on the African continent for different Mauritian groups. He joined Terra in 2016 to head its corporate development function. As a Director of some of Terra's associates and a member of several management committees, he advises on the strategy formulation of the Group's projects and is responsible for following existing investments and implementing new business developments.
<b>ASHWAN SEEPARSAD (39)</b> <b>BSc (Hons) in Business Information Technology (UK)</b>  After obtaining his IT degree from the University of Greenwich, London, in 2007, Ashwan Seeparsad acquired experience in the IT sector in the UK for two years. He then moved to Mauritius in 2009 and worked during 14 years for several companies in Mauritius, among which the Ciel Group (for 10 years), where he was the IT Lead. He joined the Group in 2019 to serve as IT Lead and was subsequently appointed Group IT Manager in 2021.

<b>JOËLLE WONG HING NANG (40)</b> <b>Fellow Member of the Association of Chartered Certified Accountants (UK)</b> <b>Member of the Mauritius Institute of Professional Accountants BSc (Hons) Management with specialisation in Marketing (University of Mauritius)</b>  Joëlle Wong started her career at Cirne Financial Services as Accounts Officer in 2004. She joined Shell Mauritius Limited in that same year as Stock Controller, before being appointed as Country Treasurer in 2008. She took on a wider role as Country Treasurer and Credit Controller in 2013. In 2016, she became part of the group credit function of Vivo Energy (a Shell and Engen Licensee in Africa) as Group Senior Credit Officer. In that role, she was responsible for managing the group credit risk and for leading several projects in 24 African markets whilst operating remotely from Mauritius. She joined Terra Finance Ltd in May 2021 and was appointed as Head of Treasury on 28 June 2021.
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# Management Information

EXECUTIVE COMMITTEE	
Nicolas Maigrot	Managing Director
Nicolas Eynaud	General Manager (Novaterra)
Alexis Harel	Executive Director
Henri Harel	Group Chief Finance Officer
Louis Denis Koenig*	Administrative Executive
Sébastien Mamet	General Manager (Agriculture)
Julien Rousset	Head of Corporate Development
*Also serves as Secretary to the Committee	
Profiles of Executive Committee members are set out on pages 80 to 87.	
ACCOUNTS	
Steeve Lareine	Group Finance Manager
HUMAN RESOURCES	
Christopher Park	Group HR Manager
INFORMATION TECHNOLOGY	
Ashwan Seeparsad	Group IT Manager
LEGAL	
Iqra Mosaheb	Group Legal Advisor
CORPORATE SOCIAL RESPONSIBILITY	
Marie-Annick Auguste	CSR Manager

CANE	
Sébastien Mamet	General Manager
Didier Ramasamy (as from 01 August 2022)	Factory Manager
POWER	
Terragen Management Ltd	Managers
Jean-Marc Iweins	Plant Manager
BRANDS	
<b>Bottling and distribution</b>	
Alexis Harel	Managing Director
<b>Distillery</b>	
Cindy Leung (up to 31 May 2022)	Distillery Manager
PROPERTY AND LEISURE	
Nicolas Eynaud	General Manager
Edwige Gufflet	Managing Director (Sugarworld Ltd)
STONE CRUSHING AND BLOCK MAKING	
The United Basalt Products Limited	Managers
TREASURY MANAGEMENT	
Joëlle Wong Hing Nang	Head of Treasury

# 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 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, but the appeal has not been lodged within the specified time frame.



# Corporate Governance Report (cont'd)

## 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 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 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 in 2021. The Directors are aware of their legal duties.

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. 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 2021, as well as at the Annual Meeting of shareholders, is set out on pages 80 and 81. The Board of Terra met six 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 80 to 87. Consultants are also invited to attend board meetings when necessary and, in 2021, 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;
  - Reviewing the Board charter, the Code of Ethics and governance policies and documents;
  - Adopting a new Group Risk Management Framework;
  - 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;
  - 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 2021;
  - 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. 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 2021 are those listed on pages 80 and 81.

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 245. The external obligations of the Chairman have not changed in 2021 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. Except for Mrs Margaret Wong Ping Lun, none of the independent Directors 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. As regards Mrs Margaret Wong Ping Lun, who has served for nine years as independent Director in June 2021, she has nevertheless been proposed for re-election at the Annual Meeting held in 2021. Given the exceptional circumstances which the Company and the country have faced for two years now, in the wake of the Covid-19 pandemic, it had not been possible to find the required and appropriate profile to fill her position. The Board had carefully considered and resolved, in the light of the above-mentioned circumstances, that there was, in its perception, no reason why Mrs Margaret Wong Ping Lun ought not continue to serve on the Board as an independent Director for one more 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 2021, three Directors retired from office by rotation. One non-executive Director, appointed to fill a vacancy in 2021, was also proposed for re-election. All of them were eligible for re-election and were re-elected. One non-executive Director, namely Mr Didier Harel, will be proposed, under Section 138 (6) of the Companies Act, for re-election at the next Annual Meeting. The latest Board evaluation has confirmed his performance and commitment. Two other non-executive Directors will be proposed for election in replacement of Mrs Margaret Wong Ping Lun and Mr Alain Vallet.

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 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 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 provided the opportunity to discuss 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

The Directors' interests in the Company's securities as at 31 December 2021 pursuant to the Listing Rules are as follows:

DIRECTORS	ORDINARY SHARES							
	DIRECT				INDIRECT			
	SHARES	%	USUFRUCT	%	SHARES	%	USUFRUCT	%
Anna Mallac-Sim	133	0.00%	-	-	3,172,145	1.39%	2,751,920	1.21%
Nikhil Treebhohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	30,133	0.01%	-	-	74,083	0.03%	-	-
Henri Harel	413,666	0.18%	-	-	35,200	0.02%	-	-
Nicolas Maigrot	-	-	-	-	-	-	-	-
Didier Harel	-	-	-	-	-	-	-	-
Alain Rey	-	-	-	-	-	-	-	-
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Pascal Raffray	-	-	-	-	-	-	-	-
Total	443,932	0.20%	-	-	3,283,027	1.44%	2,751,920	1.21%
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 the following shares of Terra were traded by Directors:

NAME	NUMBER OF SHARES	BOUGHT OR SOLD
Associates of Mr Henri Harel	35,000	Bought

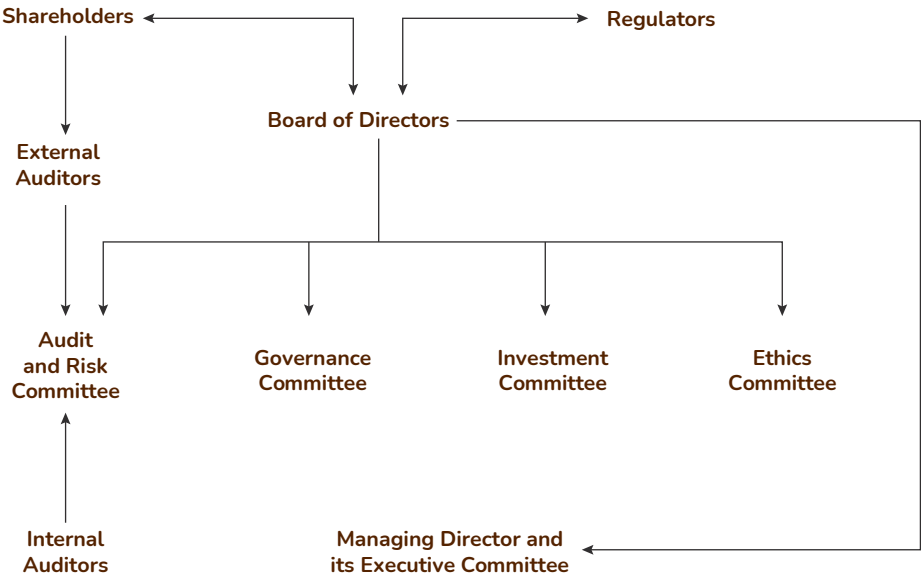
None of the other Directors bought or sold shares of Terra.

## 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. They are posted on Terra's website, as well as the position statement of each senior governance position within the Company and an organisational structure of the Group, which have also been approved by the Board and 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 in order to ensure a smooth and proper coordination between these committees and the Board.





# Corporate Governance Report (cont'd)

## BOARD COMMITTEES

### AUDIT AND RISK COMMITTEE

COMPOSITION	
MEMBERS:	
Margaret Wong Ping Lun	Chairperson: Independent non-executive
Pascal Raffray	Member: Non-executive
Nikhil Treebhoohun	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 2021 the shareholders approved the re-appointment of BDO & Co.

Details of audit and non-audit fees are disclosed on page 116.

### MEETING SCHEDULE

The Audit and Risk Committee met five times in 2021 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by Directors is set out on pages 80 and 81. When the Committee met with the external auditors to review the financial statements, critical policies, judgements and estimates were discussed. The Committee has, on that occasion, met the auditors outside the presence of management.

### COMMITTEE FOCUS IN 2021

- 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 2021;
- Review of internal audit reports; and
- Regular review of the effectiveness of the implementation of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM) and review of the risk registers of each cluster.

## BOARD COMMITTEES (CONT'D)

### 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 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. 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 mainly on the management letter from the external auditors, the audited financial statements, and the internal audit planning for the year; and the second one focused on the external audit plan, an assignment of the external auditors on system control, the review of six internal audit reports, and of the finalisation of the internal audit plan for 2022.

### CORPORATE GOVERNANCE COMMITTEE

COMPOSITION	
MEMBERS THROUGHOUT THE YEAR:	
Alain Rey	Chairman: Non-executive
Didier Harel	Member: Independent Non-executive
Margaret Wong Ping Lun	Member: Independent Non-Executive
IN ATTENDANCE:	
Nicolas Maigrot	Executive

### 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 80 and 81.

### COMMITTEE FOCUS IN 2021

- Corporate Governance Report and Annual Report for the year ended 31 December 2020;
- Review of the Board charter and of several corporate governance documents posted on the website;
- Appointment and re-appointment of Directors;
- Preparation of Annual Meeting held on 11 November 2021;
- Composition of boards of Directors of subsidiaries and associated companies;
- Review and approval of the remuneration of senior executives;
- Determination of the variable portion of senior executives' remuneration;
- Review of and recommendations for the Directors' remuneration in the light of an independent survey; and
- Renewal of the Directors and Officers Liability insurance policy.

# Corporate Governance Report (cont'd)

## BOARD COMMITTEES (CONT'D)

### CORPORATE GOVERNANCE COMMITTEE (CONT'D)

#### BOARD EVALUATION

An update of the Board Effectiveness Evaluation exercise held in the first quarter of 2020 with the help of Ernst & Young (EY) is scheduled in the second semester of 2022, which will also review the performance of the Board committees and the individual Directors. The previous report was subsequently submitted to the Committee and to the Board in 2020. The appropriate measures were taken 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.

### 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

#### 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.

#### MEETING SCHEDULE AND COMMITTEE FOCUS IN 2021

The Strategy and Investment Committee met six times in 2021. 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 several recommendations to the Board. The attendance of individual Directors at these meetings is detailed in the table on pages 80 and 81.

## BOARD COMMITTEES (CONT'D)

### ETHICS COMMITTEE

COMPOSITION	
MEMBERS THROUGHOUT THE YEAR:	
Alain Rey	Chairman: Non-executive
Christopher Park	Member: Human Resources Manager
Nikhil Treebhoo hun	Member: Independent Non-executive
Louis Denis Koenig	Member: Administrative Executive
IN ATTENDANCE:	
Gilbert Bouic (Group Ethics Officer)	Consultant

#### 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.

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. One whistle-blowing case was reported through Transparency Mauritius at the end of 2021 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 so as to ensure its successful implementation.

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

#### MEETING SCHEDULE

The Committee met twice in 2021 and the attendance of individual Directors at meetings is detailed in the table on pages 80 and 81.

#### COMMITTEE FOCUS IN 2021

- 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 2022; and
- Investigation on one case of whistle-blowing.



# 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 2021 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 2021 is as follows:

DIRECTORS	2021 MUR'000
Dominique de Froberville	784
Alexis Harel	862
Didier Harel	924
Henri Harel	572
Nicolas Maigrot	572
Anna Mallac-Sim	403
Pascal Raffray	761
Alain Rey (Chairman)	1,820
Nikhil Treebhoohun	831
Margaret Wong Ping Lun	1,017

### 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'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 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. For reasons of confidentiality and market sensitivity of the information, the Board of Directors has decided not to disclose the individual remuneration of executive Directors received from subsidiaries,

The remuneration and benefits received by the Directors from the Company and its subsidiaries as at 31 December 2021 are disclosed in the Statutory Disclosures on page 115.

## 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 102 to 106 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 73 to 76 of this report.

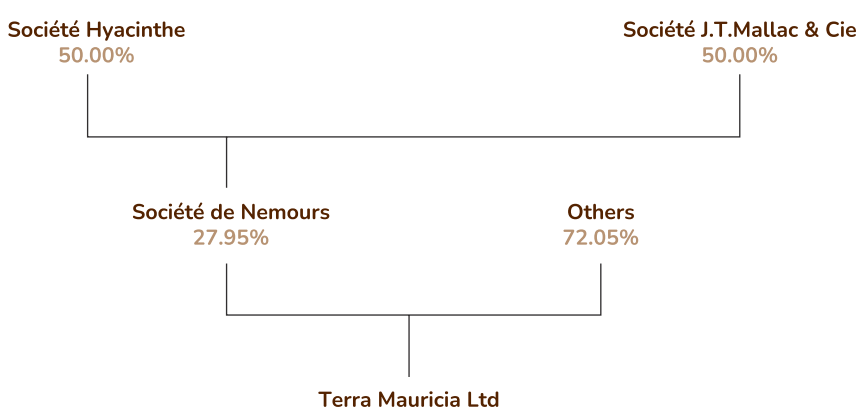
## DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Political and other donations made during the year are shown on page 116. 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 76 and 77.

## HOLDING STRUCTURE

As at 31 December 2021, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



# Corporate Governance Report (cont'd)

## GROUP STRUCTURE

The Group structure is provided on page 246. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 88) 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 2022, 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 Armelle Mallac et Enfants, 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 2021, the following Directors were common to Terra and the Group's holding entities:

DIRECTORS OF HOLDING ENTITIES			
DIRECTORS OF THE COMPANY	SOCIÉTÉ DE NEMOURS	SOCIÉTÉ HYACINTHE	SOCIÉTÉ J.T. MALLAC & CIE
Anna Mallac-Sim	✓		
Dominique de Froberville	✓		✓*
Alexis Harel	✓	✓	
Henri Harel	✓	✓*	
Alain Rey	✓*		

\*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. Having regard *inter alia* to Group performance, capital expenditure, debt servicing requirements and investment needs, as well as any external 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 24 and 25. 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 2020 eight out of eleven Directors attended the meeting, while all Directors attended the meeting in 2021. 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 appraised 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 107 to 112. Dates of important events are also noted.

Terra Services Ltd  
Secretary

29 July 2022



# Internal Controls and Risk Management

Terra’s success as an organisation depends on its ability to identify and manage risks that can prevent it from achieving its objectives, including both downside risks as well as upside risks related to opportunities generated by its business and the markets it operates in. While ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk resides in the way Terra conducts its business and the culture of its team. Terra takes an embedded approach to risk management that puts risk assessment at the core of the leadership team agenda.

## RISK-MANAGEMENT FRAMEWORK

The Group’s risk management framework (RMF) is the management structure and set of procedures by which the Group enacts its Risk Policy and ensures that the Board of Terra Mauricia Ltd is able to discharge its responsibility for the governance of risk for the Group in accordance with the Companies Act and the Code of Corporate Governance for Mauritius.

In 2020, the Board, through the Audit and Risk Committee, decided to review the RMF with the assistance of Ernst & Young (EY), following the departure of the Group Risk Champion. Following the review, a Group Risk Management Committee was set-up at managerial level in 2021 to monitor the risk management of the Group’s clusters.

The revised RMF illustrated below is designed to enable a continual process for identifying, evaluating, managing and reporting significant risks identified across the components of the Group.

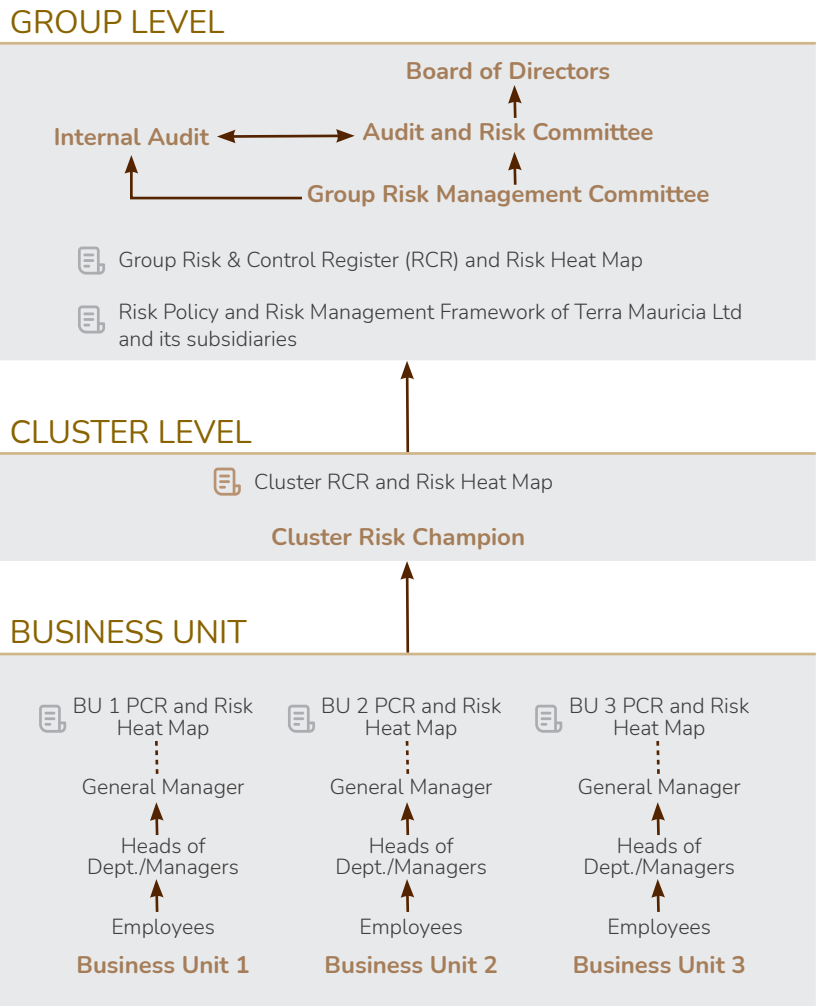


## RISK-MANAGEMENT FRAMEWORK (CONT'D)

The Board, advised by the Audit and Risk Committee where appropriate, reviews the significant risks when taking decisions that could have a material impact on Terra. The role and responsibilities of the Audit and Risk Committee regarding risk management include carrying out a robust assessment of the main risks facing Terra, including those that would threaten its business models, future performance, solvency and liquidity. The Committee also has the task of reviewing the Group’s capability to identify and manage new emerging risks and the effectiveness of internal controls and risk management. It also evaluates the risk appetite which Terra is prepared to take in pursuit of its business strategy.

## RISK-MANAGEMENT ORGANISATION

The governance structure and associated lines of communication that apply to the Group’s RMF are illustrated below. There is a two-way relationship between the risk owners (employees) at business unit level and the Board of Directors (the Board) at Group level, whereby the guidance from the Board will be cascaded down to the risk owners through established lines of communication. Risk registers and risk heat maps are established at business unit level, consolidated at cluster level and elevated at Group level for reporting purposes to the Board. This model allows for a top-down and bottom-up approach to risk management to operate.

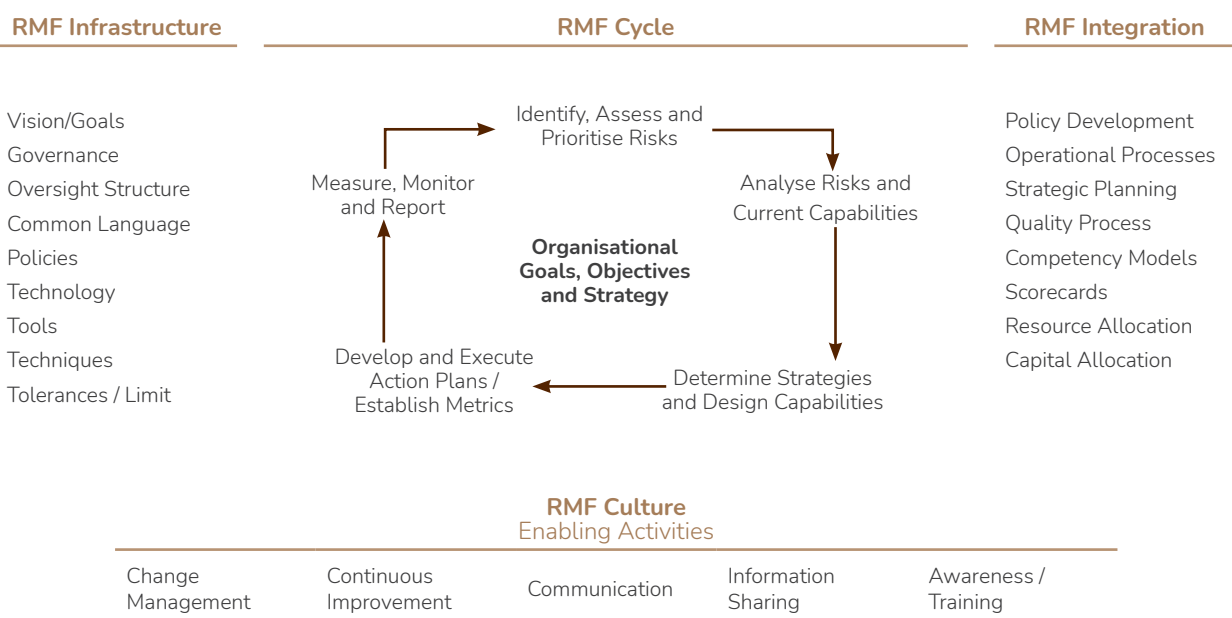


The above model is replicated across the clusters of the Group.

# Internal Controls and Risk Management (cont'd)

## RISK-MANAGEMENT CYCLES

The graphic below illustrates the risk management cycles, including the main associated activities, the way these integrate with the core processes and activities of Terra Mauricia Ltd and its subsidiaries, the infrastructure that enables risk management (in terms of policies, guidance and tools), and the internal processes and modalities that are required to establish and sustain a robust risk management culture.



## REPORTING ON RISKS

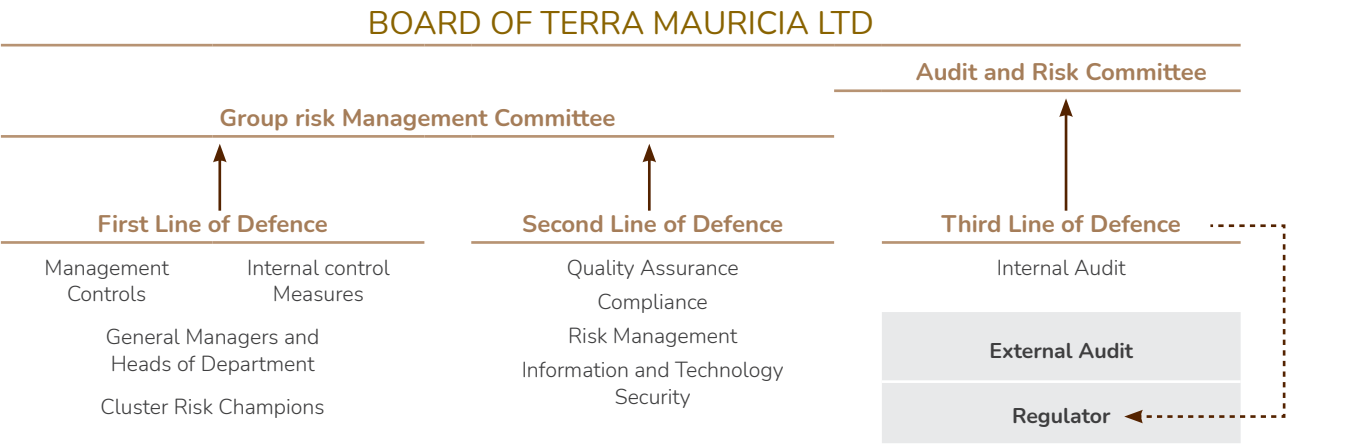
Our risk reporting process involves risk classification into four main categories that take into account the external and internal environment of all the business units in the Group. It also includes environmental, social and governance related risks.

- Strategic – strategic risks are risks that arise from failure to achieve business strategy and objectives;
- Financial – financial risks include areas such as financial sustainability, financial resources, market, foreign exchange, liquidity and credit risk;
- Operational – operational risks are risks related to internal practices, processes and systems that are adequate to achieve the associated operational strategic plan. They include human capital, environment, stakeholder relations, technology, information system, data and cyber security, and health and safety; and
- Legal and regulatory compliance.

Some 19 main risks were identified and validated by management for the Group, together with their mitigating measures and controls. These risks cannot be completely eliminated and controls and mitigating measures cannot provide absolute protection against factors such as unexpected events, errors or fraud.

## INTERNAL CONTROLS AND AUDIT

To ensure the effectiveness of the Group's RMF, the Board and senior management rely on a number of line functions – including monitoring and assurance functions – within the organisation. Terra adopts the 'Three Lines of Defence' model as illustrated below:



### FIRST LINE OF DEFENCE

Under the first line of defence, operational management has ownership, responsibility, and accountability for directly assessing, controlling and mitigating risks.

### SECOND LINE OF DEFENCE

The second line of defence consists of activities covered by several components of internal governance (compliance, risk management, quality, IT, and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation.

### THIRD LINE OF DEFENCE

Internal audit forms the organisation's third line of defence. The internal audit function of the Group is outsourced to EY, except in the case of Grays, which has its own in-house internal auditor, as well as Terrarock, which has retained the services of UHY & Co. The internal auditors have a direct reporting line to the Audit and Risk Committees and maintain an open and constructive communication channel with the executive management team. They also have direct access to the chairpersons of the Committees and the Board. This reporting structure allows the internal auditors to remain independent and to report all items of significance to the Board and the Audit and Risk Committees. As the internal audit function is outsourced, it is therefore not possible to list on the website the structure, organisation, and qualifications of this function.

A risk-based methodology is applied, where the internal auditors first establish a preliminary understanding of the business, operations and key risks through discussion with the Audit and Risk Committees, Directors and management, and review of the risk register to identify high risk areas. A three-year plan is then established and rolled out with internal audit visits conducted at the business units. Internal audit reports are communicated and discussed at the Audit and Risk Committees. Follow-up visits are conducted where significant high-risk issues have been reported in prior internal audit reports.



# Internal Controls and Risk Management (cont'd)

## INTERNAL CONTROLS AND AUDIT (CONT'D)

### THIRD LINE OF DEFENCE (CONT'D)

During 2021, EY performed four internal audit visits, which were in line with the audit plan approved by the Audit and Risk Committee. UHY & Co performed one visit at Terrarock Ltd, while Grays' internal auditor completed four new assignments and submitted three investigative and four follow-up reports. Findings and observations were discussed with management at the respective business units; action plans to address internal control gaps were agreed and incorporated in the internal audit reports and reported to the Audit and Risk Committees.

We are continually reinforcing our risk management practices so that we move up the maturity curve for achieving a robust ERM system.



**Margaret Wong Ping Lun**  
Chairperson of the Audit and Risk Committee

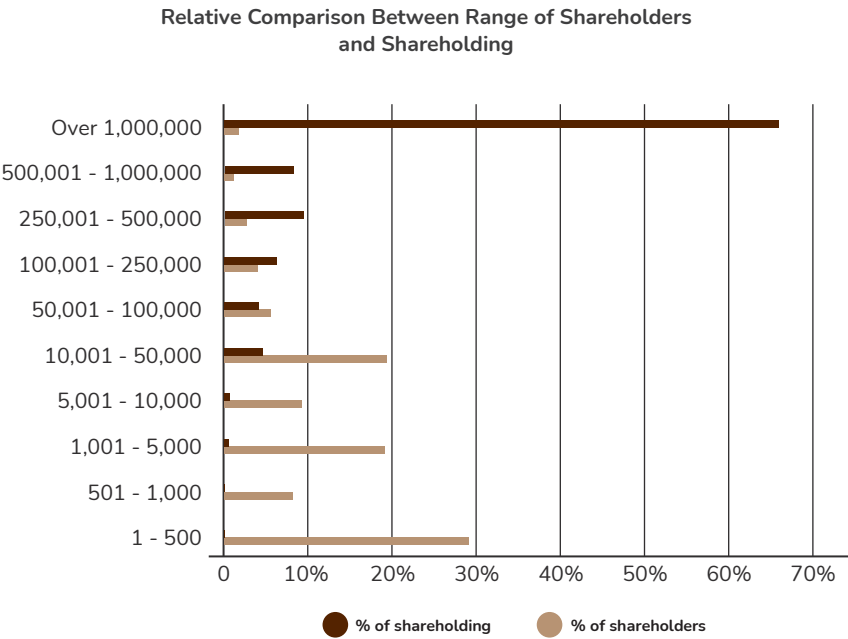
29 July 2022

# Share Analysis and Stock Exchange Performance

## DISTRIBUTION OF SHAREHOLDERS OF TERRA MAURICIA LTD AT 31 DECEMBER 2021

### RANGE OF SHAREHOLDING

RANGE OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHAREHOLDING
1 - 500	667	29.12%	108,502	0.05%
501 - 1,000	187	8.17%	164,136	0.07%
1,001 - 5,000	437	19.08%	1,161,306	0.51%
5,001 - 10,000	211	9.21%	1,546,143	0.68%
10,001 - 50,000	445	19.43%	10,463,527	4.60%
50,001 - 100,000	127	5.55%	9,346,734	4.11%
100,001 - 250,000	91	3.97%	14,160,428	6.22%
250,001 - 500,000	59	2.58%	21,359,277	9.39%
500,001 - 1,000,000	26	1.14%	18,700,981	8.22%
Over 1,000,000	40	1.75%	150,534,590	66.15%
TOTAL	2,290	100.00%	227,545,624	100.00%



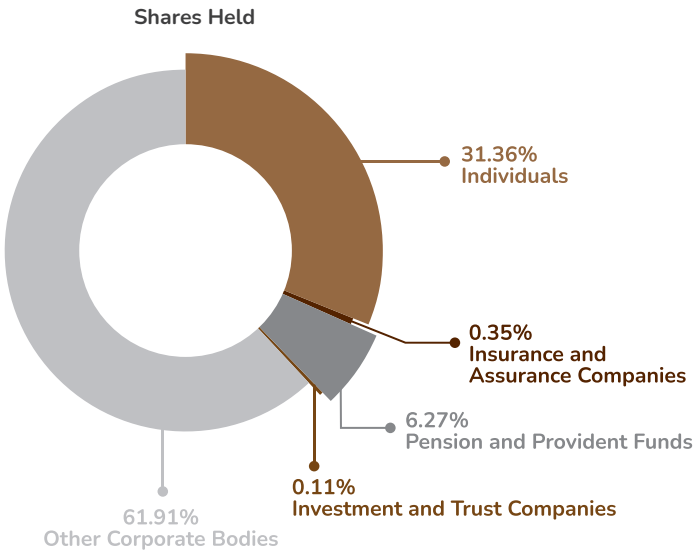
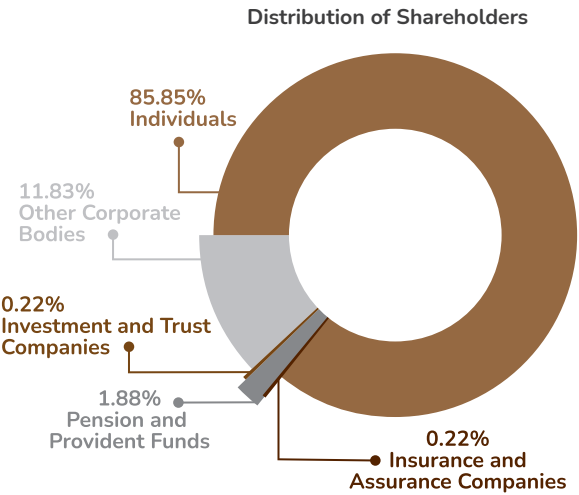
# Share Analysis and Stock Exchange Performance

(cont'd)

## SHAREHOLDER SPREAD

To the best knowledge of the Directors, the spread of shareholders at 31 December 2021 was as follows:

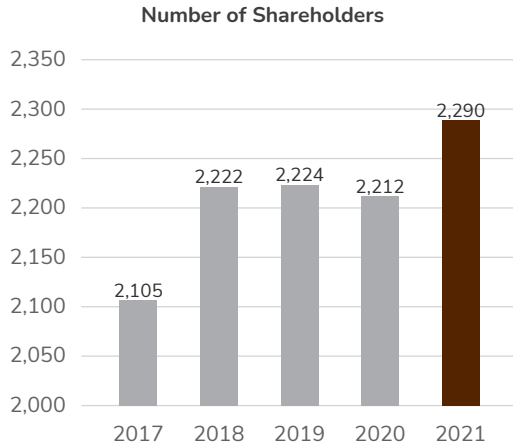
	SHAREHOLDERS		SHARE HELD	
	NUMBER	%	NUMBER	%
Individuals	1,966	85.85	71,354,967	31.36
Insurance and Assurance Companies	5	0.22	795,958	0.35
Pension and Provident Funds	43	1.88	14,268,924	6.27
Investment and Trust Companies	5	0.22	242,864	0.11
Other Corporate Bodies	271	11.83	140,882,911	61.91
Total	2,290	100.00	227,545,624	100.00



## NUMBER OF SHAREHOLDERS

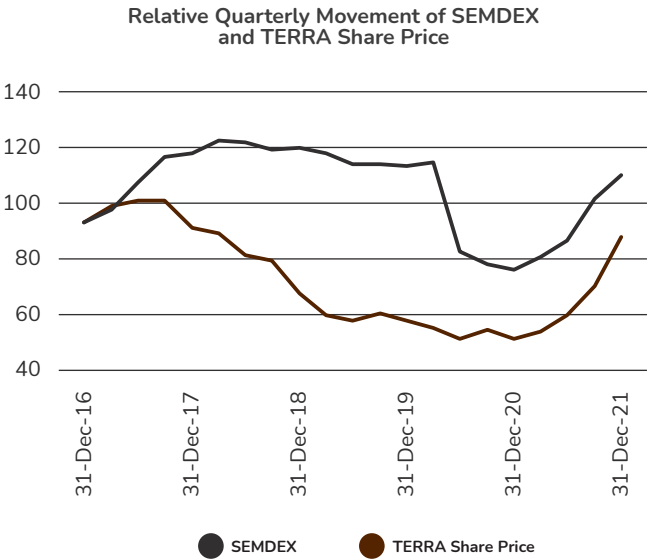
NUMBER OF SHAREHOLDERS AS AT 31 DECEMBER	
2017	2,105
2018	2,222
2019	2,224
2020	2,212
2021	2,290

The number of shareholders of Terra was 2,362 as at 30 June 2022.



## STOCK EXCHANGE PERFORMANCE

Terra gained 55.30% (2020: -1.0%) in its share price to close at MUR 30.75 at the end of December 2021, and the price swung between MUR 18.60 and MUR 30.75 during the course of the year under review. Total volume traded on the stock market stood at 8.1 million shares (5.2 million in 2020) for a share turnover ratio of 3.56% (Market average: 4.19%). Total value traded amounted to MUR 188.7 million (Volume Weighted Average Price: MUR 23.27). Foreigners were net sellers to the tune of MUR 18.5 million (2020: 13.2 million).





# Share Analysis and Stock Exchange Performance

(cont'd)

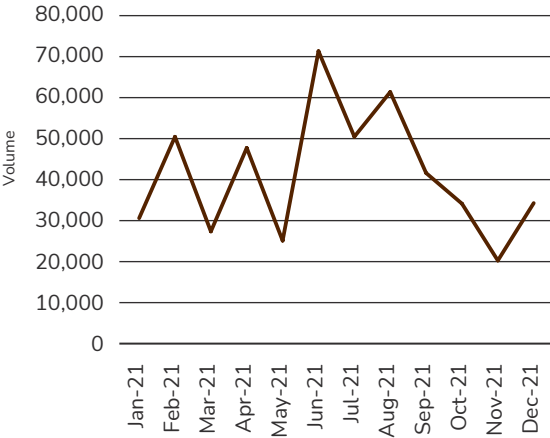
## STOCK EXCHANGE PERFORMANCE (CONT'D)

	2017	2018	2019	2020	2021
<strong>SEMDEX (Points)</strong>					
Year End Closing	2,202.14	2,220.76	2,177.09	1,648.39	2,097.89
<strong>SHARE PRICE (MUR)</strong>					
Year End Closing Price	27.95	22.00	20.00	19.80	30.75
High	33.80	29.40	23.20	21.00	30.75
Low	27.95	21.05	19.50	16.50	18.60
Note: The Terra share price was MUR 25.00 on 29 July 2022.					
<strong>YIELDS</strong>					
Earnings Yield %	1.36	2.41	5.80	~*	6.60
Dividend Yield %	3.04	3.86	4.25	2.88	2.76
<strong>PRICE EARNING RATIO</strong>					
	73.55	41.51	17.24	~*	15.15

\*For the year ended 31 December 2020, Terra Mauricia Ltd recorded a loss per share.

## AVERAGE VOLUME TRADED MONTHLY ON THE STOCK EXCHANGE IN 2021

MONTH	AVERAGE VOLUME TRADED
January	30,317
February	50,206
March	27,071
April	47,484
May	24,821
June	71,111
July	50,218
August	61,133
September	41,348
October	33,852
November	19,965
December	33,997



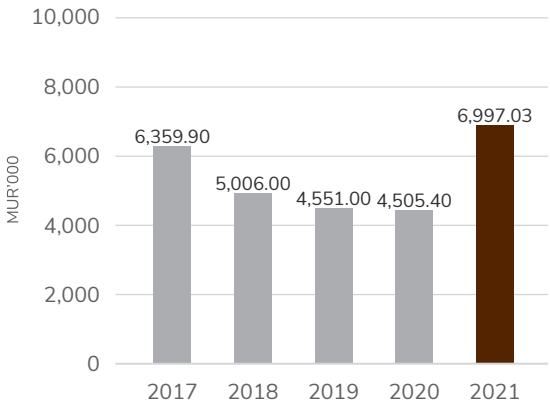
## STOCK EXCHANGE PERFORMANCE (CONT'D)

### MARKET CAPITALISATION

	MUR'M	EUR'M*	USD'M*
2017	6,359.90	127.75	144.95
2018	5,006.00	100.56	114.10
2019	4,551.00	91.42	103.73
2020	4,505.40	90.50	102.69
2021	6,997.03	140.55	159.48

\*The exchange rates used are those for the year 2021 as displayed below

The market capitalisation of Terra on 29 July 2022 was MUR 5,688.64 million.



## MAIN EXCHANGE RATES TO THE RUPEE

Consolidated Indicative Selling Rates (Source: Bank of Mauritius on <http://bom.intnet.mu>)

CURRENCY	31 DECEMBER 2020	31 DECEMBER 2021
Euro	49.0541	<strong>49.7827</strong>
US Dollar	39.8550	<strong>43.8750</strong>
GB Pound	54.3643	<strong>59.3501</strong>
SA Rand	2.7729	<strong>2.8115</strong>

# Share Analysis and Stock Exchange Performance

## (cont'd)

### SHAREHOLDERS’ CALENDAR AND RELATIONS

Financial year-end	31 December
Publication of yearly group abridged financial statements (audited)	Late March
Group audited annual financial statements available	Late March
Quarterly financial report - Q1 (unaudited)	Mid-May
Annual report issued	Mid-June
Annual meeting of shareholders	Late June
Quarterly financial report - Q2 (unaudited)	Mid-August
Quarterly financial report - Q3 (unaudited)	Mid-November
Dividend - declaration	Late November
- payment	Late December

This calender has been disturbed this year again.

Website: [www.terra.co.mu](http://www.terra.co.mu)

For more details on shareholders’ relations and communication please refer to page 101.

# Secretary’s Certificate

## (Pursuant to Section 166(d) of the Companies Act 2001)

We certify that, to the best of our knowledge and belief, Terra Mauricia Ltd has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.



**Terra Services Ltd**  
Secretary

29 July 2022

# Statement of Compliance

## (Pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: TERRA Mauricia Ltd (The Company)

Reporting period: 01 January to 31 December 2021

We, the Directors of TERRA Mauricia Ltd, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance.



**Alain Rey**  
Chairman

29 July 2022



**Nicolas Maigrot**  
Managing Director

# Statement of Directors’ Responsibilities in Respect of Consolidated and Separate Financial Statements

Directors acknowledge their responsibilities for:

- i. adequate accounting records and maintenance of effective internal control systems;
- ii. the preparation of consolidated and separate financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with the International Financial Reporting Standards (IFRS), the Companies Act and the Financial Reporting Act; and
- iii. the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. The situation remains uncertain with various cities and countries around the world responding in different ways to address the outbreak. There have been significant direct and indirect impacts on companies across multiple industries and the world. The Group and the Company will continue to monitor the impact Covid-19 has on them and reflect the consequences as appropriate in their accounting and reporting. The Directors have made an assessment of the Group's and the Company's ability to continue as going concerns, taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but is not limited to, twelve months from the end of the reporting period and from the date of signature of these consolidated and separate financial statements. Based on information on hand, there is no reason to believe that the Group and the Company will not qualify as going concerns in the year ahead.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The report of the external auditors on the financial statements is on pages 120 to 127.

The Directors report that:

- i. adequate accounting records and an effective system of internal controls and risk management have been maintained;
- ii. appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- iii. IFRS, the Companies Act, and the Financial Reporting Act have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained, and quantified;
- iv. the Code of Corporate Governance has been adhered to. Reasons have been provided where there has been non-compliance; and
- v. the full Annual Report is published on the Company's website.

Signed on behalf of the Board of Directors by

**Alain Rey**  
Chairman

29 July 2022

**Nicolas Maigrot**  
Managing Director

# Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001 and the Securities Act 2005)

## DIRECTORS

### NAMES

The names of the Directors of Terra Mauricia Ltd at 31 December 2021 are given on pages 80 and 81 of this report. In addition, a list of Directors of subsidiary companies at the same date appears on page 244.

### SERVICE CONTRACTS

Three executive Directors, namely Messrs Nicolas Maigrot, Alexis Harel and Henri Harel, have at present service contracts without expiry dates with group companies. Other than for the above-mentioned executive Directors, none of the Directors proposed for election or re-election at the forthcoming Annual Meeting of shareholders have service contracts with the Company or the Group.

### REMUNERATION AND BENEFITS

	THE COMPANY		SUBSIDIARIES	
	2021 MUR'M	2020 MUR'M	2021 MUR'M	2020 MUR'M
Emoluments paid by the company and its subsidiaries to:				
<b>Directors of Terra Mauricia Ltd:</b>				
<b>Executive</b>				
Full-time	<b>1.1</b>	1.2	<b>31.5</b>	28.6
Part-time	<b>0.9</b>	0.7	<b>10.6</b>	9.3
<b>Non-executive</b>	<b>6.9</b>	7.9	<b>0.8</b>	0.7
	<b>8.9</b>	9.8	<b>42.9</b>	38.6

Directors of subsidiary companies (other than those of Terra Mauricia Ltd):	2021 MUR'M	2020 MUR'M
<b>10 Executive (10 in 2020)</b>		
Full-time	<b>61.4</b>	58.2
<b>16 Non-executive (15 in 2020)</b>	<b>0.6</b>	0.5
	<b>62.0</b>	58.7



# Statutory Disclosures (cont'd)

(Pursuant to Section 221 of the Companies Act 2001 and the Securities Act 2005)

## CONTRACTS OF SIGNIFICANCE

During the year under review, there were no contracts of significance to which Terra Mauricia Ltd, or one of its subsidiaries, was a party and in which a Director of Terra Mauricia Ltd was personally and materially interested, either directly or indirectly.

## AUDITORS' REMUNERATION

	THE COMPANY		SUBSIDIARIES	
	2021 MUR'M	2020 MUR'M	2021 MUR'M	2020 MUR'M
Audit fees paid to:				
<b>BDO &amp; Co</b>	<b>6.4</b>	5.4	<b>1.7</b>	1.5

No fees were paid to BDO & Co for non-audit services.

## DONATIONS

	THE GROUP	
	2021 MUR'M	2020 MUR'M
<b>Contributions towards Corporate Social Responsibility</b>	<b>6.2</b>	7.1
<b>Amount distributed by Terra Foundation</b>	<b>1.7</b>	2.9
Number of projects funded: 30 (2020: 32)		
<b>Other donations</b>	<b>0.3</b>	1.8
<b>Political</b>	-	-

## SENIOR OFFICERS' INTERESTS

The Group's senior officers' interests in the Company as declared under the Securities Act 2005 as at 31 December 2021 were as follows:

	DIRECT				INDIRECT			
	BENEFICIAL	%	NON BENEFICIAL	%	BENEFICIAL	%	NON BENEFICIAL	%
<b>SENIOR OFFICERS OF THE COMPANY</b>								
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	30,133	0.01%	-	-	74,083	0.03%	-	-
Henri Harel	413,666	0.18%	-	-	436,310	0.19%	4,541,285	2.00%
Jean Marc Jauffret	5,000	0.00%	-	-	-	-	-	-
Sébastien Mamet	300	0.00%	-	-	-	-	-	-
Christopher Park	3,000	0.00%	-	-	-	-	-	-
Anna Mallac-Sim	133	0.00%	-	-	1,500,087	0.66%	2,063,947	0.91%
<b>OTHER INSIDERS</b>								
Olivier Prod'hon	800	0.00%	-	-	-	-	-	-
<b>Total</b>	<b>453,032</b>	<b>0.20%</b>	-	-	<b>2,010,746</b>	<b>0.88%</b>	<b>6,605,232</b>	<b>2.90%</b>

**Total issued shares 227,545,624**

The above-mentioned senior officers have not declared any interest in the subsidiaries.