



GOVERNANCE

Our LEADERSHIP

BOARD OF
Directors



1 Alain Rey (58)

Non-Executive Chairman – First appointed to the Board 2016
BSc (Hons) in Economics (London)
Member of the Institute of Chartered Accountants in England and Wales



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 and at The State Bank of Mauritius: 2009–2015
Current outside directorships of listed and non-listed companies:
• CIEL Textile Ltd
• MCB Group Ltd
• New Mauritius Hotels Ltd
• Quantum Ltd
• Precigraph Ltée
• MCB Microfinance Ltd

2 Maurice de Marassé Enouf (72)

Non-Executive Director – First appointed to the Board 2007
Former member of the Association of Chartered Certified Accountants (UK)
Former member of the Mauritius Institute of Professional Accountants



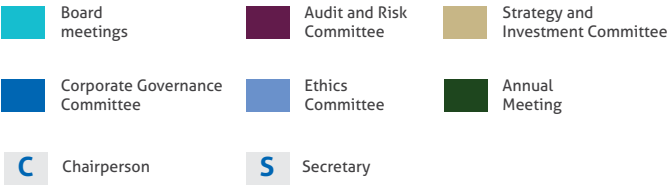
Senior Audit Clerk at De Chazal Du Mée (Chartered Accountants): 1963–1972
Group Internal Audit Manager at Flacq United Estates: 1973–1982
Group Accountant for Medine S.E: 1983–1984
Chief Accountant and Finance Manager of the WEAL Group: 1984–2001
Self-employed since 2002
Directorships of listed companies:
• Innodis Ltd
• Mauritius Oil Refineries Ltd

3 Dominique de Froberville (58)

Non-Executive Director – First appointed to the Board 2003 and reappointed in 2010
Maîtrise en Chimie Industrielle (France), MBA (England)



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.



4 Alexis Harel (55)

Executive Director – First appointed to the Board 1999
BSc, Business Administration (USA)



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

5 Didier Harel (65)

Independent Non-Executive Director – First appointed to the Board 2016
MBA, INSEAD (Institut Européen d’Administration des Affaires) (France)
BSc. Eng. (Hons) in Chemical Engineering and Chemical Technology (UK)



From Sales Engineer to International Sales and Supply Coordinator at Esso in Mauritius, Reunion and UK: 1974–1988
Managing Director of downstream subsidiaries of Total in Southern Africa and in the UK, Executive Vice-President in charge of Total’s downstream operations in East Africa, Indian and Pacific Oceans and Executive Director of Logistics of Total France: 1989–2012
Chairman and CEO of Société Anonyme de Gestion des Stocks Stratégiques (SAGESS): 2012–2015
Directorships of listed companies:
• MCB Group Limited
• Sun Ltd

6 Henri Harel (57)

Executive Director – First appointed to the Board 1996
ACIS (South Africa)



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.
Member of Terra’s Executive Committee.
Directorships of listed companies:
• Swan General Ltd

7 Hubert Harel (53)

Non-Executive Director – First appointed to the Board 2012
National Diploma in Management, Technikon, Natal (South Africa)



Managerial positions in the textile industry in South Africa and Mauritius: 1988–2005
Managing Director of Standard Labels Ltd: 2005 to date.
Director of The Mount Sugar Estates Company Ltd: 2008–2010
Currently serves as director on several domestic and offshore company boards.

8 Nicolas Maigrot (49)

Managing Director – First appointed to the Board 2016
BSc Management Sciences (London)



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

9 Nikhil Treebhoo hun (63)

Independent Non-Executive Director – First appointed to the Board 2014
BSc (Hons) Economics, Industry and Trade (London)
Postgraduate Diplomas in Financial Management (Australia) and in Development Planning Techniques (Netherlands)
Fellow of the World Academy of Productivity Science



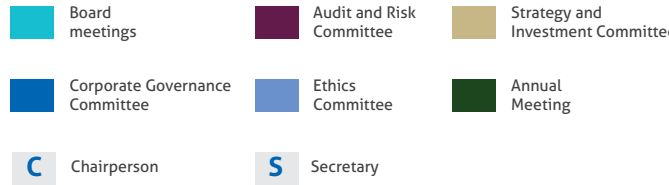
Teacher in Economics at secondary level: 1978–1981
Senior positions at Ministry of Economic Planning and Development and Ministry of Industry: 1981–1987
Lecturer in Economics at the University of Mauritius: 1987–1989
Projects Manager at the Industrial and Vocational Training Board: 1989–1992
Director 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
Directorships of listed companies:
• National Investment Trust Ltd

10 Alain Vallet (63)

Executive Director – First appointed to the Board 1992
Advanced Certificate in Business Studies (London)

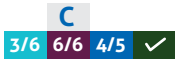


Manager at Hamarel Distribution Ltd: 1979–1982
From Marketing Executive for wine and spirits to Chief Executive Officer at Grays: 1982–1992
Managing Director at Grays and member of the Executive Committee of Terra: 1993–2016
Served with a number of private sector institutions, such as the Mauritius Chamber of Commerce and Industry, the Association of Mauritian Manufacturers and the Mauritius Employers Federation.



11 Margaret Chui Puing Wong Ping Lun (64)

Independent Non-Executive Director – First appointed to the Board 2012
Fellow of the Institute of Chartered Accountants in England and Wales
BA Honours in Business Studies (London)



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 date
She was a member of the Listing Executive Committee of the Stock Exchange of Mauritius.
Directorship of listed companies:
MCB Group Limited

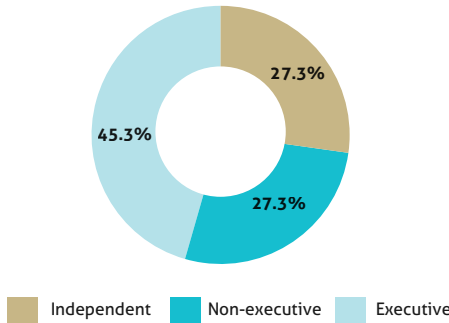
A Louis Denis Koenig (51)

Administrative Executive and Managing Director of Terra Services Ltd, Company Secretary
Maîtrise ès Sciences Economiques (Economie d’Entreprise)
Diplôme d’Etudes Supérieures Spécialisées in Finance (France)

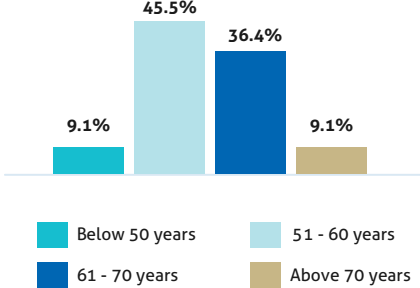


Statistician at the Anglo-Mauritius Assurance Society: 1989–1990
Assistant Secretary and then Administrative Executive at Terra: 1990 to date
Dealer’s Representative at Cavell Securities Ltd and member of The Stock Exchange of Mauritius instances: 1992–2006
Fellow of the Mauritius Institute of Directors and director of a number of subsidiaries of Terra.
Member of Terra’s Executive Committee.

Composition of the Board of directors



Age pyramid of the Board of directors



Our LEADERSHIP

(Cont'd)

MANAGEMENT
Team



Our LEADERSHIP

(Cont'd)

MANAGEMENT
Team



B Marie-Annick Auguste (47)

CSR Manager (Terra Foundation)
BA in Psychology and Communication (South Africa)

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.

C Jocelyn de Chasteauneuf (43)

Finance Director (Brands)
BA (Hons) Accounting and Finance – London (UK)
Member of the Association of Chartered Management Accountants (UK)

Jocelyn de Chasteauneuf started his career as Accountant in London and has been thereafter the Cost Accountant of a Mauritian manufacturing company. He was employed as Finance Manager of the brand cluster of the Group in 2001 and is presently its Finance Director.

D Joël Couve de Murville (42)

Senior Manager – Sales and Marketing (Property and Leisure)
Bcom in Management and Industrial Psychology (South Africa)

Joël Couve de Murville started his career in 1998 in the Mauritian textile industry after his studies in South Africa. He first spent a couple of years managing the planning at Tee Sun Ltd. He joined Floreal Knitwear as Sales Manager in 2001 before being appointed UK Office Manager, based in London, from 2003 to 2010. He then came back to Mauritius as Marketing Manager for Floreal Knitwear. In July 2017, he joined the Group as Senior Manager – Marketing and Sales.

E Bernard Desvaux de Marigny (60)

General Manager: Land Management (Property and Leisure)
Member of the Mauritius Institute of Surveyors (MMIS)

After qualifying as a Land Surveyor in 1981 and being in practice until 1987, Bernard Desvaux de Marigny set up the Desmarais-Desvaux, Arpenteurs partnership, which he co-managed until 2001, when he joined the Group as General Manager of Sagiterre. He is now responsible for the land management at Novaterra.

F Jean-Philippe Desvaux de Marigny (35)

Senior Manager – Project Development and Finance (Property and Leisure)
Diplôme d'Etude Supérieures Comptables et Financières (France)
Fellow Member of the Association of Chartered Certified Accountants (UK)

Jean-Philippe Desvaux de Marigny started his career at BDO De Chazal Du Mée in the Corporate Finance Department and was the Finance Manager of Robert Le Maire (RLM) from 2009 to 2012. Further to the acquisition of RLM by Ireland Blyth (IBL) in 2012, he joined the commerce cluster of IBL as Finance and Administrative Manager before being appointed Chief Executive Officer of Mauritian Eagle Leasing Company in July 2014. He joined the Group in May 2016.

G Nicolas Eynaud (50)

Real Estate Development Executive (Property and Leisure)
National Diploma in Land Surveying (South Africa)

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.

H Jean-Michel Gérard (59)

Plant Manager (Power)

After 15 years as a mechanical officer in the French navy, Jean-Michel Gérard joined Séchilienne-SIDEC in 1993 where, for the next 20 years, he held responsibilities as Engineer, then Trainer and finally as Manager. As such, he participated in the setting up of Compagnie Thermique du Gol in Reunion Island, and managed its power plant from 1994 to 1997. He also set up and managed a power plant in Vietnam before managing that of Compagnie Thermique du Moule between 2001 and 2004. He has managed the Belle Vue power plant since July 2012.

I Patrice Gourel de St Pern (59)

Plant Manager (Grays Distilling)
Certificate in Management Development (RASITC)

After working at the St Antoine distillery between 1979 and 1981, Patrice Gourel de St Pern joined the Group in 1981 as Shift Supervisor at Grays Refinery. He was appointed Assistant Plant Manager in 1988 and Plant Manager in 1995. He is a member of the International Institute of Risk and Safety Managers and of the Association of Health and Safety Managers.

J Edwige Gufflet (49)

Managing Director (L'Aventure du Sucre)
Maitrise ès Sciences Economiques (France), MBA (USA)

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 L'Aventure du Sucre as General Manager and was promoted to Managing Director in December 2012.

K John Laguette (38)

Chief Information Officer (Group)
BSc (Hons) in Business Information Technology (UK)
MSc in Internet & Database Systems (UK), MBA (France),
Member of the British Computer Society

Upon his return to Mauritius in 2003, John Laguette started his professional career as IT Coordinator for the Group. He joined La Sentinelle in 2004 to act in the capacity of Systems Administrator. He was recruited back by the Group in 2005 to serve as Group ICT Manager and was subsequently appointed Chief Information Officer in 2011.

L Steeve Lareine (53)

Group Finance Manager
Fellow of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants

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, he was employed as Divisional Accountant at Rey & Lenferna.

M Sébastien Mamet (42)

General Manager (Agriculture)
Chartered Accountant (UK)

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.

N Noufail Manjoo (47)

Managing Director (AceTer Global)
Fellow Chartered Certified Accountant (UK)

Noufail Manjoo is a co-founder of AceTer Global. He is a specialist in company structuring and taxation. He started his career in 1991 and has acquired a wide range of experience in auditing, tax, management and financial accounting, and family office matters. He has managed various companies in the past including GE Capital (Mauritius). He also serves as director in many offshore companies.

O Iqra Mosaheb (41)

Group Legal Advisor
LLB (Hons) (Mauritius), LLM (Bristol, UK),
MBA (Paris-Dauphine, France), Barrister at Law

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. She has been the Legal Advisor of MauBank Ltd prior to joining Terra in 2017.

P Christopher Park (35)

Group Human Resource Manager
BCom HRM, Management and Business Law (Australia)
MCom Human Resources and Marketing (Australia)

Christopher Park has been working in the HR field for more than seven years. He 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 & Recruitment Consultant. Upon his return to Mauritius in 2009, he joined Adecco Mauritius as a Recruitment & HR consultant. He then joined Enterprise Information Solutions (part of the Cim Group) as their HR Manager in 2010. After one year, he was additionally offered the position of the group's Corporate HR Manager. He was employed by Rogers as Corporate HR Manager from October 2012, before joining Terra as Group HR Manager in December 2013.

Q Ajay Parsan (54)

Factory Manager (Terra Milling)
Diploma in Mechanical and Electrical Engineering
Diploma in Occupational and Safety Management
Member of the International Society of Sugar Cane Technologists

After a long career in the textile sector as Production Engineer and Factory Manager, Ajay Parsan joined the group as Factory Manager of Terra Milling in June 2016.

R Julien Rousset (36)

Head (Strategic development function)
MSc in Management (France)

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 sugarcane 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 strategic development function. As a director of some of Terra's associates and a member of a number of management committees, he advises on the strategic orientation of the Group and is responsible for following existing investments and implementing new business developments.

S Joël Villeneuve Anaudin (48)

General Manager (Terra Finance)
Maitrise ès Sciences Economiques, spécialisation Marchés de capitaux et Risques financiers (France)
ACI Forex & Money Market Dealing Certification (UK)
Financial Technical Analysis Certification

Joël Villeneuve Anaudin started his career in banking treasury activities at BNP Paribas in 1996. Between 2001 and 2012, he set up and led treasury and forex hedging operations for various banks and corporations, namely: the CIEL Group Bank One and ABC Banking Corporation. Joël was instrumental in the development of Upstage, a business consultancy company offering trading and corporate treasury management advice, which was appointed by Terra to structure Terra Finance, a subsidiary which provides treasury management solutions and assistance to Group companies. In March 2014, Joël joined the Group as Terra Finance's General Manager.

MANAGEMENT Information

Executive Committee	
Nicolas Maigrot	Managing Director
Nicolas Eynaud	Real Estate Development Executive
Alexis Harel	Executive Director
Henri Harel	Group Chief Finance Officer
Louis Denis Koenig *	Administrative Executive
Sébastien Mamet	General Manager (Agriculture)
Julien Rousset	Senior Manager – Project Development
* Also serves as Secretary to the Committee	
Profiles of Executive Committee members are set out on pages 46,47,52 and 53.	
Accounts	
Steeve Lareine	Group Finance Manager
Human Resources	
Christopher Park	Group HR Manager
Information Technology	
John Laguette	Chief Information Officer
Legal	
Iqra Mosaheb	Group Legal Adviser
Corporate Social Responsibility	
Marie-Annick Auguste	CSR Manager
Cane	
Sébastien Mamet	General Manager
Ajay Parsan	Factory Manager

Power	
Terragen Management Ltd	Managers
Jean-Michel Gérard	Plant Manager
Brands	
Bottling and distribution	
Alexis Harel	Managing Director
Jocelyn de Chasteauneuf	Finance Director
Distillery	
Patrice Gourel de St Pern	Plant Manager
Property and Leisure	
Nicolas Eynaud	Real Estate Development Executive
Bernard Desvaux de Marigny	General Manager – Land Management
Jean-Philippe Desvaux de Marigny	Senior Manager – Project Development and Finance
Joël Couve de Murville	Senior Manager – Sales and Marketing
Edwige Gufflet	Managing Director (Sugarworld Ltd)
Stone Crushing and Block Making	
The United Basalt Products Limited	Managers
Offshore Management	
Noufail Manjoo	Managing Director
Treasury Management	
Joël Villeneuve Anaudin	General Manager
Profiles of Managers are set out on pages 52 and 53.	

CORPORATE GOVERNANCE Report

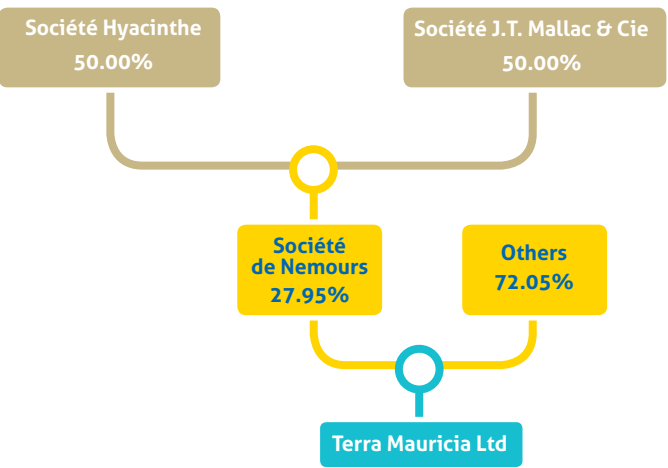
Statement of Compliance

The Report on Corporate Governance for Mauritius, published in 2003, provides that all public interest entities must comply with the provisions of the Code of Corporate Governance (the Code). The Board is aware of its legal duties and acknowledges that the Code sets out best practices and this Corporate Governance report details how the principles of the Code have been applied within the Group. The Board considers that the Group has complied in all material respects with the provisions of the Code for the reporting year ended 31 December 2017, except as specifically stated in this report.

The Group has already started to apply some of the principles and recommended disclosures contained in the new National Code for Corporate Governance 2016, and has developed an action plan to apply it fully by the end of 2018. Explanations will be given in respect of any deviation from the recommendations of this new code.

Holding Structure

As at 31 December 2017, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



Group Structure

The Group structure is provided on page 147. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 54) 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 by each General Manager, each of whom has signed an acknowledgement in that respect. These risks are monitored by the Group Risk Champion through a risk management framework and a risk register, under the supervision of the Audit and Risk Committee.

Substantial Shareholders

As at 29 March 2018, 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%	9.51%
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. 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 2017, 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
Maurice de Marassé Enouf	x		x
Dominique de Froberville	x		x *
Alexis Harel	x	x	
Henri Harel	x	x	
Alain Rey	x *		
Alain Vallet	x	x *	

* : Chairman

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

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.

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.

Hereunder are the salient features of the constitution:

- Wide objects and powers conferred on the Company
- Absence of ownership restrictions or pre-emptive rights attached to shares issued by the Company
- Ability of the Company to purchase its own shares, to reissue and to sell any of them
- Retirement by rotation of three directors at every Annual Meeting
- Procedure for proposing candidates for election to the office of director
- Ability of shareholders to cast postal votes
- 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 gave notice of appeal, which is being resisted by the Group. The appeal was scheduled to be heard on 25 May 2015 but was postponed to 11 July 2016, to 19 June 2017, to 15 January 2018 and then to 02 July 2018.

Board of Directors

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of

the Group. It must ensure that proper systems and controls are in place to protect the Group’s assets and its good reputation. Having regard to recommendations made by Management, the Board makes strategic choices, decisions and identifies key risk areas, monitors and evaluates the implementation of policies and business plans and approves major investments as well as the Company’s annual capital expenditure and operating budgets.

The 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. Since the end of 2017, 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.

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 2017, as well as at the Annual Meeting of shareholders, is set out on pages 46 and 47. The Board of Terra met six times during the year, including a special half-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 46 to 53. Consultants are also invited to attend Board meetings when necessary and, in 2017, 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
- Overseeing performance of the main clusters against budgets
- Ensuring balanced and constructive communications with stakeholders

- Approving major strategic investments, credit lines with financial institutions, as well as a fair valuation of the immovable assets of the Group
- Enhancing the governance structures, frameworks, policies, processes and procedures in line with best practices and current regulations
- Considering reports from the Board committees
- Overseeing key risk areas and ensuring effective risk management processes
- Declaring final dividends for the year ending on 31 December 2017
- Providing leadership in the business ethics arena
- Informing 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 2017 are those listed on pages 46 and 47.

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 external obligations of the Chairman have not changed in 2017 and they have been found compatible with the discharge of his duties and responsibilities. The Board charter has capped the number of outside positions of directors 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. All of them ordinarily reside in Mauritius, and there is one female member on the Board. None of the independent directors have 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 would still be considered as independent.

The new 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 Mrs Margaret Wong, Mr Didier Harel

and the Chairman have cross directorships in two companies at non-executive level only, the Board has carefully considered, and resolved that there is, in its perception, no reason why Mrs Margaret Wong and Mr Didier Harel ought not continue to be regarded as independent directors. The Board has determined that both of them have shown objectivity and an unfettered independent judgement, that they have performed their duties in good faith and that their independence as directors has not been affected in any way whatsoever by these cross directorships.

At the Annual Meeting held in 2017, four directors retired from office, either by rotation or under Section 138 of the Companies Act. All of them were eligible for re-election and were re-elected. Three non-executive directors, namely Mrs Margaret Wong and Messrs Maurice de Marassé Enouf and Alain Vallet, will be proposed for re-election at the next Annual Meeting. The recent Board evaluation has confirmed the performance and the commitment of the proposed directors.

The Board is aware that the retirement of directors by rotation as provided for in the amended constitution is a departure from section 2.2.6 of the Code, which provides that each director should be elected (or re-elected as the case may be) every year at the Annual Meeting of shareholders. While remaining committed to sustaining the highest standards of corporate governance, the Board is of the opinion that the standard provision of the Code is inappropriate 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 activities so as to exercise the degree of leadership, skill and judgement required to achieve sufficient stability and a sustainable degree of prosperity.

The Board is responsible for the succession planning and the nomination process of directors: this has been partly delegated to the Corporate Governance Committee in its Nomination Committee function. The latter identifies potential new directors, according to the provisions of Terra’s constitution 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 recent Board evaluation was the occasion to discuss this 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 2017 pursuant to the Listing Rules are as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	Shares	%	Usufruct	%	Shares	%	Usufruct	%
DIRECTORS								
Maurice de Marassé Enouf	-	-	-	-	-	-	-	-
Nikhil Treebhoohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	133	0.00%	-	-	23,583	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	200	0.00%	-	-
Hubert J. Harel	75,000	0.03%	-	-	524,600	0.23%	-	-
Nicolas Maigrot	-	-	-	-	-	-	-	-
Didier Harel	-	-	-	-	-	-	-	-
Alain Rey	-	-	-	-	-	-	-	-
Alain Vallet	263,890	0.12%	-	-	3	0.00%	1,135,710	0.50%
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Total	752,689	0.33%	-	-	549,985	0.24%	1,135,710	0.50%
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. None of the directors bought or sold shares of Terra during this reporting period.

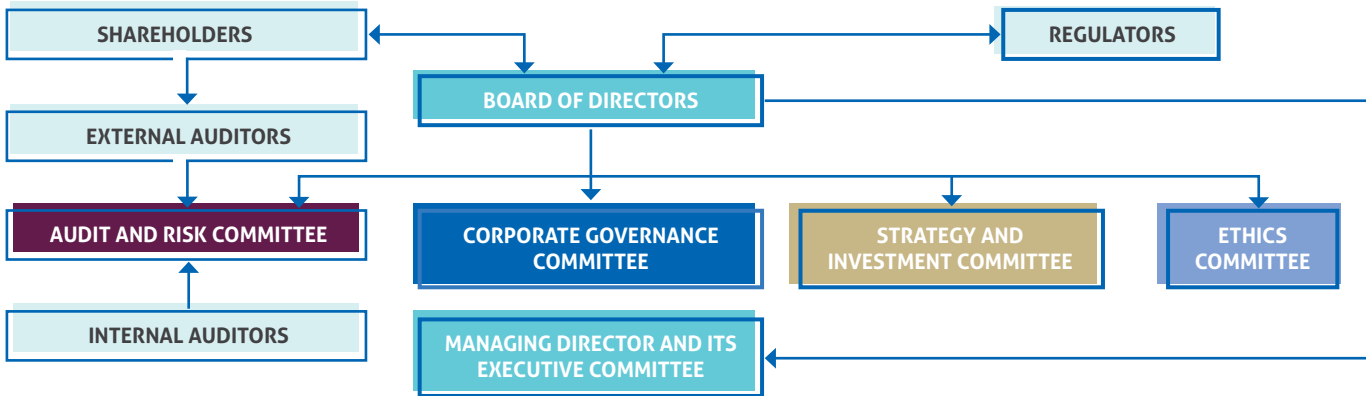
Group Company Secretary

Directors have direct access to the advice and services of the Secretary, Terra Services Ltd, through its representative Louis Denis Koenig, who is responsible for ensuring that Board procedures 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, business environment and senior management.

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 2017 and will be reviewed regularly every three years. While an independent director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees in order to ensure a smooth and proper coordination between these committees and the Board.



Board Committees

Audit and Risk Committee

Composition
Members throughout the year
Margaret Wong Ping Lun
Chairperson: Independent non-executive
Maurice de Marassé Enouf - 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
Group Risk Champion
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 internal financial controls 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 of the Group's risk management. The Board reviewed these terms of reference in November 2017.

Contrary to the provisions of section 3.9.3 of the Code, the Group Managing Director is not a member of the Committee, on account of its dual function in respect of both audit and risk. He is, however, invited to attend meetings devoted to risk matters.

Grays' Audit and Risk Committee

Given that 26% of Grays Inc. Ltd is owned by a strategic partner, as well as the complexity of its activities, Grays Inc. Ltd has a separate Audit and Risk Committee. This committee is at present under the chairmanship of Nardus Oosthuizen, a representative of the strategic partner, with George Schooling and Maurice de Marassé Enouf as members. It reports to the Board of Grays. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. Grays' Audit and Risk Committee met on three occasions during the year: the first meeting focused mainly on the audited financial statements, the management letter, two internal audit reports and the internal audit plan; the second reviewed four internal audit reports and the follow-up of the risk register; and the third examined an internal audit report by external consultants on IT governance.

External auditors
No fees were paid either by Terra Mauricia Ltd or the Group to BDO & Co for non-audit services. The previous signing partner had been signing the Group accounts since 2009 and a change in partner therefore took place in 2015. The Board has decided to review the external audit arrangements for the year ending 31 December 2016, and delegated the Audit and Risk Committee to handle a tender exercise and to make recommendations in that respect. Upon these recommendations, BDO & Co were reappointed as auditors. However, according to new legislation, they will have to be replaced in 2019 at the latest.
Meeting schedule
The Audit and Risk Committee met six times in 2017 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by directors is set out on pages 46 and 47. When the Committee met with the external auditors to review the financial statements, critical policies, judgements and estimates were discussed. As from 2018 the Committee will, on that occasion, meet the auditors outside the presence of management.
Committee focus in 2017
Consolidated and abridged audited financial statements for approval by the Board and publication
Revaluation of the immovable assets of Terragri Ltd
Review of annual report and management letters for the Group
External and internal audit planning for 2018
Internal audit reports
Risk register and management.

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
Nicolas Maigrot - (In attendance) executive

Terms of reference

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

In its role as Remuneration Committee, 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. In its role as Nomination Committee, it regularly reviews the Board's structure, size and composition and makes recommendations to the Board on Board 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 2017.

Meeting schedule

The Corporate Governance Committee met five times during the year and the attendance of individual directors at these meetings is detailed on pages 46 and 47.

Committee focus in 2017

- Remuneration structure of executives, revision of their remuneration and determination of its variable part
- Corporate Governance Report for the year ended 31 December 2016
- Appointment or re-appointment of directors
- Preparation of Annual Meeting held on 29 June 2017
- Composition of boards of directors of subsidiaries and associated companies
- Board evaluation conducted in 2017
- Defined contributions retirement scheme of the employees
- Implementation of the new National Code of Corporate Governance for Mauritius
- Renewal of the Directors and Officers Liability insurance policy

Board self-evaluation

A Board self-evaluation exercise was conducted during the second quarter of 2017, with the help of a consultant and the report was subsequently presented to the Board in August 2017. The report has shown that the Board's performance was generally satisfactory, and provided the opportunity to reassess directors' development programmes, the regular evaluation of directors' independence, the measurement and monitoring of strategic KPIs for executives, the executive directors' compensation plan, organisational excellence at large and a formal succession planning process.

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
(Julien Rousset - as from 11 May 2017) -
(In attendance): Executive

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, approves and recommends to the Board investment or disinvestment choices based on advice 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 2017.

Meeting schedule and committee focus in 2017

The Strategy and Investment Committee met four times in 2017. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, or new projects for the property cluster and made a number of recommendations to the Board. The attendance of individual directors at these meetings is detailed on pages 46 and 47.

Ethics Committee

Composition

Members throughout the year:

Alain Rey - Chairman: Non-executive
Maurice de Marassé Enouf - Member: Non-executive
Christopher Park - Member: Manager
Nikhil Treebhoo -
Member : Independent Non-executive
Louis Denis Koenig - Member: Executive
Gilbert Bouic (Group Ethics Officer) -
(In attendance): Consultant

Terms of reference

The Group is fully committed to its Code of Ethics covering ethical standards and inspired by the code of ethics issued by the Mauritius Employers' Federation and the Model Code of Conduct for directors and employees of private-sector companies issued by the Joint Economic Council. 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 the code and to ensure that it is regularly updated.

The Group's second Code of Ethics, which includes a whistle-blowing policy monitored by Transparency Mauritius, was officially launched in 2014. All Board members, senior executives, staff and employees were invited to renew their commitment to abide by the Code.

The Group Ethics Officer continued to devote time to encouraging the Group's stakeholders, such as contractors and suppliers, to follow the Code so as to ensure its successful implementation and to handle two internal whistle-blowing cases. He also followed the dissemination and implementation of the two internal policies concerning conflict of interest and gifts respectively, which were approved by the Board. 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.

The Board reviewed the terms of reference of the Committee in November 2017.

Meeting schedule

The Committee met once in 2017 and the attendance of individual directors at meetings is detailed on pages 46 and 47.

Committee focus in 2017

- Report of the Ethics Officer on its activities
- Renewed the agreement with Transparency Mauritius for the whistle blowing services
- Action plan of the Ethics Officer for 2017
- Follow-up on previous whistle blowing cases and the remedial measures taken in their respect.

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 64 to 67 of this report.

Dividend Policy

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

Remuneration of Directors and Remuneration Policy

All Board directors are remunerated according to a fixed fee, as well as an additional fee for each Board meeting attended. The Chairman is remunerated in a similar manner, but at a higher rate. The remuneration is submitted to the Annual Meeting for approval. In addition, Board Committee members receive fees for attending committee meetings, with chairpersons remunerated at a higher rate. The Board approves committee fees.

The remuneration received by directors from the Company varied according to the number of meetings held and attended in 2017 and the number of committees on which they sat. Regarding executive directors, their remuneration varies according to Group or company results. 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 executive directors do not receive any remuneration in their capacity of directors of subsidiaries.

For reasons of confidentiality and market sensitivity of the information, the Board of Directors has decided to depart from section 2.8.2 of the Code and not to disclose the individual remuneration of each director. The remuneration and benefits received by the directors from the Company and its subsidiaries as at 31 December 2017 are disclosed in the Statutory Disclosures on page 74.

As regards executive directors, the remuneration policy aims to:

- Align executive remuneration with the Group's business objectives and shareholder value
- Attract, retain and motivate high-calibre executives capable of achieving the Group's objectives
- Motivate executives to achieve ambitious performance levels
- Recognise both corporate and individual performance.

The overall remuneration of executive directors includes a basic salary, pension and other benefits, and a non-pensionable annual performance bonus, in addition to Board remuneration described above. The proportion of variable pay to fixed pay is significant, and aims at better aligning the objectives set for these directors with those of the Group and providing 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. This is in line with the remuneration policy objectives.

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. Communication is effected via the Annual Integrated 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, the directors are invited and encouraged, save for exceptional circumstances, to attend the Annual Meeting and to be available to answer shareholders' questions. While in 2016 all directors were present, ten of the eleven directors attended the meeting in 2017. 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 were traditionally invited to attend a presentation on the Annual Report and to put questions to Management. In 2017 this exercise, which is well attended and welcomed by the investing community, has taken place earlier in the year and referred to the published audited results. As in 2016, journalists appreciated, in 2017, the opportunity to attend a press briefing on the same day.

In addition to the institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry or the Mauritius Cane Industry Authority, through which the Group is able to engage with its stakeholders, there are regular contacts established with the local communities. Those contacts are made, either directly or via the local authorities, on a frequent or ad-hoc basis, to remain apprised of the concerns and expectations of the stakeholders. There has also been a number of social impact surveys conducted in the neighbouring regions, including in the context of the future Smart city, in respect of which the Group had engaged 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 CSR.

Share Option Plan

The Group has no share option plan.

Share Information

Information relating to share distribution and Stock Exchange performance is set out on pages 68 to 71. Dates of important events are also noted.

Related Party Transactions and Conflicts of Interest

Related party transactions are disclosed in aggregate in Note 38 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. Any conflict of interest has been properly declared by interested directors and was properly managed according to the Conflict of Interest policy of the Group.

Management Agreements

Except for the management contracts between Ivoirel Limitée and Sucrivoire, between Terrarock Ltd and The United Basalt Products Ltd, and the development 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.

Health and Safety and Environment

An overview of the Group's health and safety activities and environmental performance is provided on pages 37 to 40 of this report, with additional more detailed information provided in our online Sustainability Report.

Donations and Corporate Social Responsibility

Political and other donations made during the year are shown on page 75. 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 40 and 41, with additional more detailed information provided in our online Sustainability Report.



For Terra Services Ltd
Secretary
29 March 2018

INTERNAL CONTROLS and Risk Management

Terra's success as an organisation depends on its ability to identify and exploit the 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 is in the way Terra conducts its business and the culture of its team. Terra takes an embedded approach to risk management that puts risk and opportunity assessment at the core of the leadership team agenda.

Terra's approach to risk management is designed to provide reasonable assurance that its assets are safeguarded and to ensure that the risks facing the business are being assessed and mitigated, and that all information that may be required to be disclosed is reported to Terra's senior management.

As part of the overall corporate governance framework, the Board has ultimate responsibility for overseeing the risk governance framework and determining the nature and extent of the principal risks it is willing to accept to achieve its strategic objectives. The Board is also responsible for maintaining a sound system of risk management and internal controls. The Audit and Risk Committee assists the Board by taking an active role in monitoring the risk management and internal control systems across Terra.

Internal Controls and Audit

In delivering its responsibilities in respect of internal controls and audit, the Committee has to:

- Review the Group's statement on internal control systems prior to endorsement by the Board, and in particular to review:
 - the procedures for identifying business risks and controlling their impact on the Group
 - the Group's policies for preventing or detecting fraud
 - the Group's policies for ensuring that the company complies with relevant regulatory and legal requirements
 - the operational effectiveness of the policies and procedures.
- Consider whether or not the objectives, organisation, staffing plans, financial budgets, audit plans and standing of the internal audit function provide adequate support to enable the Committee to meet its objectives
- Review the results of work performed by the internal audit function in relation to corporate governance, internal control and any significant investigations and management responses
- Review co-ordination between the internal audit function and the external auditors, and deal with any issues of material or significant dispute or concern
- Review such significant transactions not directly related to the Group's normal business as the Committee might deem appropriate
- Review significant cases of employee conflict of interest, misconduct or fraud, or any other unethical activity by employees or the Group

- Review the controls over significant risks
- Consider other relevant matters referred to it by the Board.

The Board has also established key processes for monitoring the system of internal control as follows:

- A detailed organisational structure has been established, including the delegation of appropriate responsibilities from the Board to Board Committees, the Group Managing Director, members of Senior Management and heads of operating units
- The effectiveness of internal controls, continually assessed by the Board when it considers the recommendations of the Audit and Risk Committee, reports of the internal auditors and feedback from management and the external auditors
- A proper enterprise resource planning system to provide financial and operational performance data for management accounting purposes
- A review of accounting information on a regular basis at Audit and Risk Committee and Board level, with remedial action taken promptly as necessary
- A Code of Ethics (first adopted in 2005, reviewed in 2013 and revised in 2014) to govern staff conduct, setting out the standards of integrity and professionalism required within the Group, monitored by the Ethics Committee
- Appropriate operational and compliance controls in all operating units.

Mission and scope of internal auditing

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve Terra's operations. It assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal controls.

Internal auditors

Except for Grays, which has its own in-house internal auditor, and Terrarock, which has retained the services of UHY & Co, the Group's internal audit function is outsourced to Ernst & Young (EY). The scope of the internal function is to assist the Board to discharge its responsibilities and maintain the internal control framework.

Reporting and independence

The internal auditors have a direct reporting line to the Audit and Risk Committee 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 Committee.

Risk-based internal audit approach

- A risk-based methodology is applied, through which the auditors first establish a preliminary understanding of the business, operations and key risks through discussion with Terra's Audit and Risk Committee, directors and management, and review the risk register to identify high risk areas.
- Based on the risk identification, a three-year audit plan, which is established by the auditors, is approved by the Audit and Risk Committee.
- The approved three-year internal audit plan is thereafter rolled out and audit visits at business units are undertaken by the auditors.
- Audit reports are presented and discussed at the Audit and Risk Committee.
- The Audit Plan also includes dedicated follow-up visits undertaken in business units and areas where significant high risk issues have been reported in prior audit reports.

The risk based audit approach is illustrated in the chart below:



During 2017, EY performed three internal audit visits, which were in line with the audit plan approved by the Audit and Risk Committee. EY also performed one special assignment at Grays at the request of the Audit and Risk Committee. In addition, UHY & Co performed two visits at Terrarock Ltd, while Grays' internal auditor realised four assignments and submitted four follow-up reports. Findings and observations made were discussed with management of the respective business units, action plans to address internal control gaps were agreed with management, incorporated in the internal audit reports and reported to the Audit and Risk Committees. The auditors had unrestricted access to the Group's records, management and employees in undertaking their work.

The representatives of the internal auditors, or the internal auditor himself in the case of Grays, attended the respective Audit and Risk Committee, when progress on internal audit activities were reported, and reports on completed audit visits were reviewed and discussed.

INTERNAL CONTROLS and Risk Management (cont'd)

Twenty-two persons from the management team attended a two-days training in business risk management that provided them methodologies to enhance the existing risk management process.

Risk-management Framework

The role and responsibilities of the Audit and Risk Committee regarding risk management consist in 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 has also the task of reviewing the Group's capability to identify and manage new risk types, and keeping under review the effectiveness of internal controls and risk management. In order to fulfil these responsibilities the Committee has more specifically to review:

- With the assistance of the legal advisers, the status of any legal matter that could have a significant impact on the Company's business
- Management reports detailing the adequacy and overall effectiveness of the Company's risk-management function and its implementation by Management, reports on internal controls, together with any recommendations, and confirmation that appropriate action has been taken
- Compliance with risk philosophy, strategy and policies, and with the Group's overall risk profile. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk, which together cover detailed combined risks
- The adequacy of insurance coverage.

The Committee also assists the Board in fulfilling its oversight responsibilities by monitoring the integrity of the Group's financial statements and other financial information before publication.

In 2017, the Board, through the Audit and Risk Committee, reviewed the assessment of risks, internal controls and procedures in operation within Terra. They also considered the effectiveness of any remedial action taken during the year.

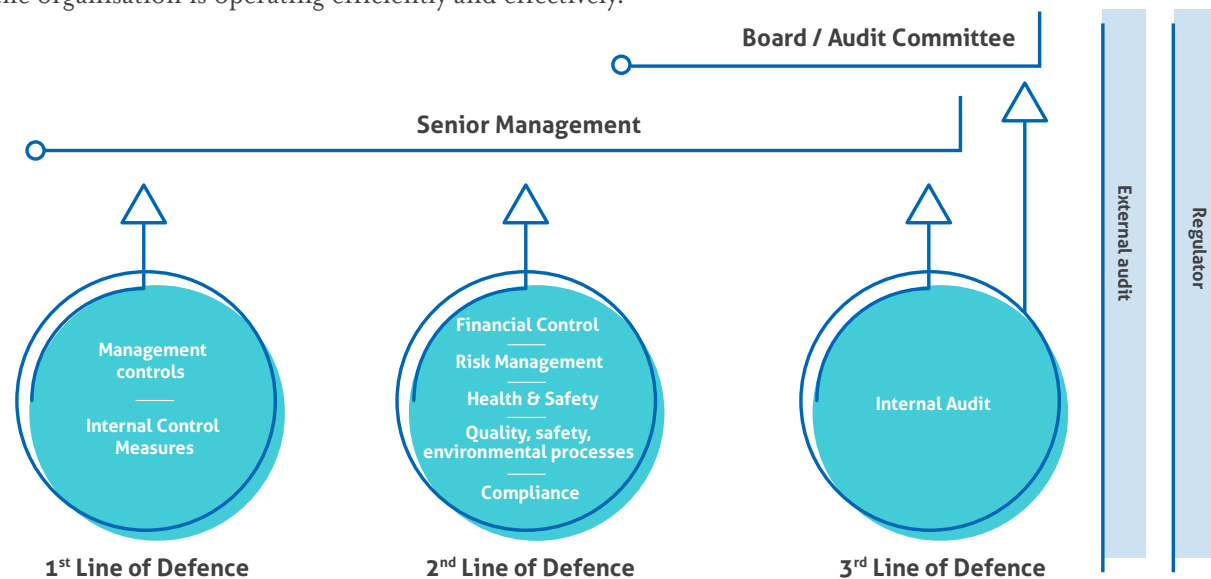
Terra's Board monitors the principal risks and controls through:

- Levels of authority for transactions requiring Board approval for investments and capital expenditure
- Executive Directors' oversight of all significant day-to-day decisions
- The Managing Director reporting on strategic and key operational matters at each scheduled Board meeting
- The Finance Director reporting on the Group's forecasts, including actual and prospective metrics.

INTERNAL CONTROLS and Risk Management (cont'd)

Terra's lines of defence

Terra has also adopted the three-lines-of-defence approach, with the aim of bringing about a greater understanding of the roles and responsibilities throughout the various risk-management and control functions. This also assists executive management, the Audit and Risk Committee and, ultimately, the Board to have confidence that the control framework within the organisation is operating efficiently and effectively.



- The first line of defence refers to the process of assessment by Management, providing a level of assurance over the design and effectiveness of the risk and control processes. At Terra, operational line managers and heads of department and business units are responsible for proper monitoring and reporting of risks, and the implementation of adequate and timely response activities to manage those risks.
- The second line of defence refers to functions established by Management with the aim of monitoring and reporting on the effectiveness of the first line of defence in fulfilling its roles and responsibilities regarding risk management. At Terra, these monitoring functions include risk management, compliance and HSEQ processes.
- The third line of defence consists of objective, independent control, evaluation and monitoring functions, outsourced to EY as internal auditors. The internal auditors provide an independent and objective assurance and consulting activity.

Risk-management approach

Terra has generally adopted the principles of the Enterprise Risk Management Model for managing its risks.



The Board has previously agreed its Risk Management Framework, the development of which was facilitated by EY, and a Group Risk Champion designated to maintain the risk register and report thereon regularly to the Audit and Risk Committee. The Risk Management Framework allows the Group to continuously monitor its risk environment and develop risk-mitigating strategies accordingly, as well as assist Management to better recognise the extent to which risks are being properly managed. The risk register is maintained and updated on a continuous basis by the Group Risk Champion as outlined below. The actual framework is being enhanced to guarantee an effective and efficient risk management process.

INTERNAL CONTROLS and Risk Management (cont'd)



Key risk profile of the Group

Risks identified relate to the following areas:

- Cost competitiveness – Risks which might prevent the Group from remaining economically viable
- Stakeholder confidence – Risks which might prevent the Group from maintaining or building on strong relationships with stakeholders
- Customer reach – Risks which might prevent the Group from taking maximum advantage of market opportunities for its products and services
- Operational agility – Risks which might inhibit the Group from improving its ability to respond effectively in a quickly changing market.

Financial risks form part of the Risk Management Framework. These may be defined as the risk that cash flows and financial assets, if not managed cost-effectively, may affect the Group's ability to:

- Maximise cash availability
- Reduce any uncertainty around currency matters, interest rates, and credit and other financial assets
- Move cash funds quickly and without loss of value to wherever they are most needed.

Risks in decision-making

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. These reviews consider the level of risk that Terra is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate risk exposure.

Margaret Wong Ping Lun

Margaret Wong Ping Lun
Chairperson of the Audit and Risk Committee
23 March 2018

SHARE ANALYSIS AND Stock Exchange Performance

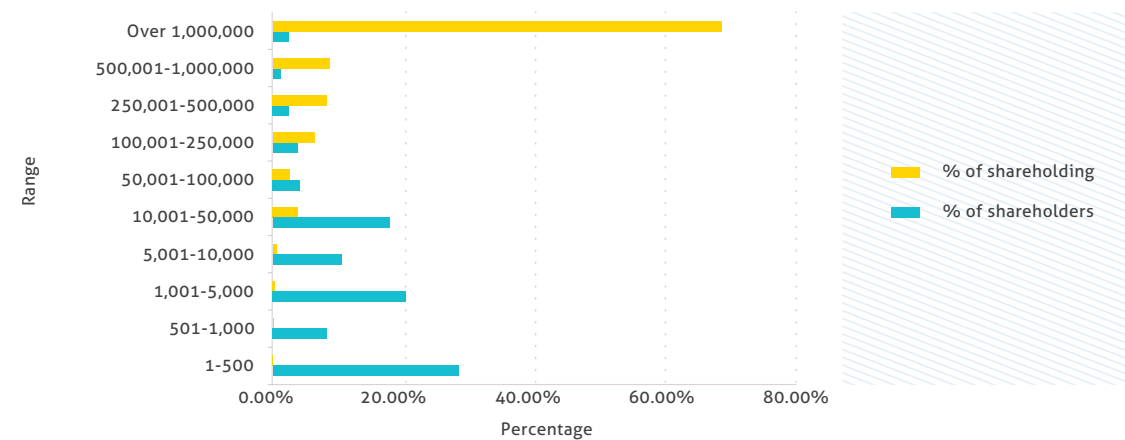
SHARE ANALYSIS AND Stock Exchange Performance (cont'd)

Distribution of Shareholders of Terra Mauricia Ltd at 31 December 2017

Range of shareholding

Range of Shareholders	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	589	27.98	99,108	0.04
501 - 1,000	168	7.98	145,224	0.06
1,001 - 5,000	424	20.14	1,134,840	0.50
5,001 - 10,000	227	10.78	1,665,108	0.73
10,001 - 50,000	386	18.34	8,909,672	3.92
50,001 - 100,000	90	4.27	6,288,590	2.76
100,001 - 250,000	93	4.42	14,940,535	6.57
250,001 - 500,000	54	2.57	19,105,707	8.40
500,001 - 1,000,000	29	1.38	20,073,550	8.82
Over 1,000,000	45	2.14	155,183,290	68.20
TOTAL	2,105	100.00	227,545,624	100.00

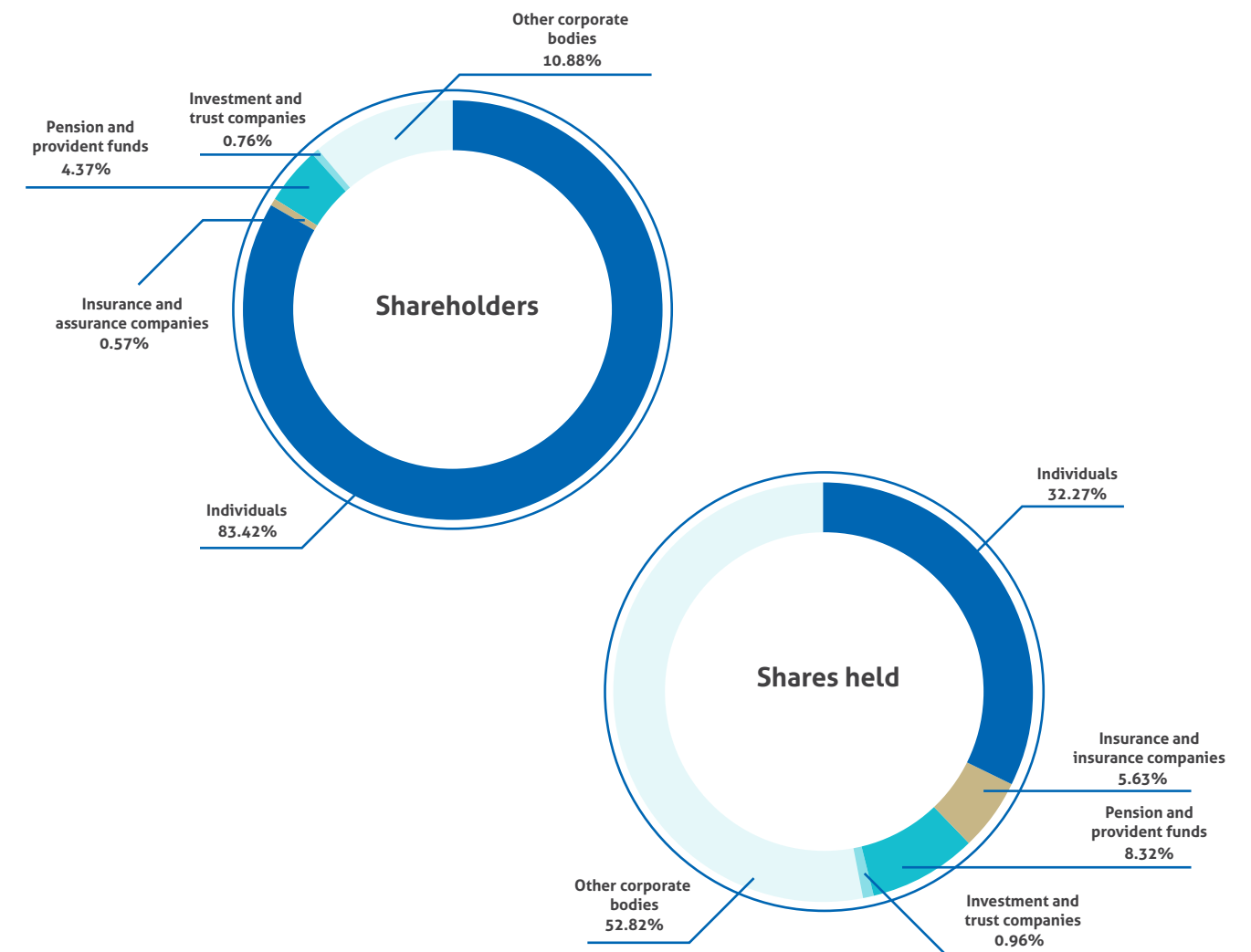
Relative comparison between range of shareholders and shareholding



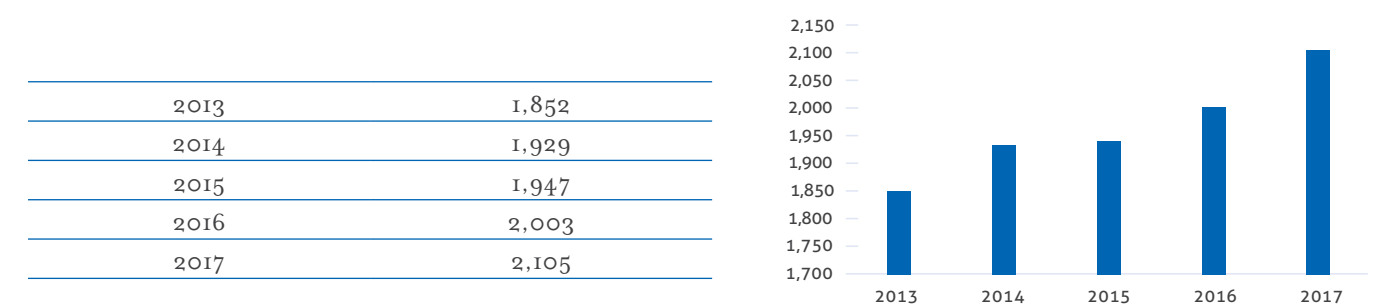
Shareholder spread

To the best knowledge of the directors, the spread of shareholders at 31 December 2017 was as follows:

	Shareholders Number	Shareholders %	Shares held Number	Shares held %
Individuals	1,756	83.42	75,440,350	32.27
Insurance and assurance companies	12	0.57	12,801,085	5.63
Pension and provident funds	92	4.37	18,926,047	8.32
Investment and trust companies	16	0.76	2,190,642	0.96
Other corporate bodies	229	10.88	120,187,500	52.82
TOTAL	2,105	100.00	227,545,624	100.00



Number of Shareholders as at 31 December



The number of shareholders of Terra was 2,122 as at 28 February 2018.

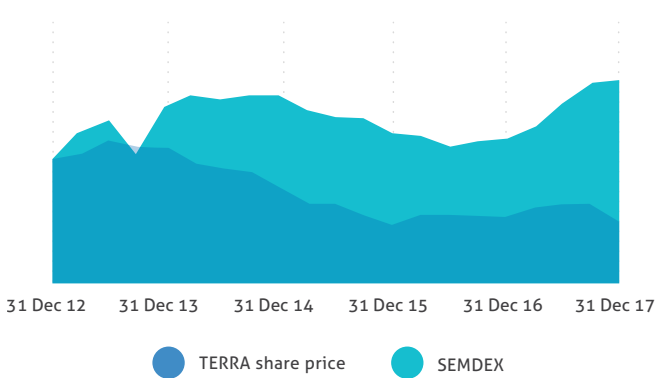
SHARE ANALYSIS AND Stock Exchange Performance

(cont'd)

Stock Exchange Performance

In 2016, Terra's share traded between MUR 27.95 and MUR 33.80, with an overall volume of 5.8 million shares exchanged (Volume Weighted Average Price: MUR 30.88). The total value traded amounted to MUR 179.8 million. Foreign investors were net sellers to the tune of MUR 1.81 million. The price of Terra fell by 6.8% to close at MUR 27.95 at end of December 2017. For the first quarter of 2017 Terra dropped out of the SEM-10 constituents but was reintegrated in the second quarter. It dropped out again at the end of the third quarter and is since in the Reserve List.

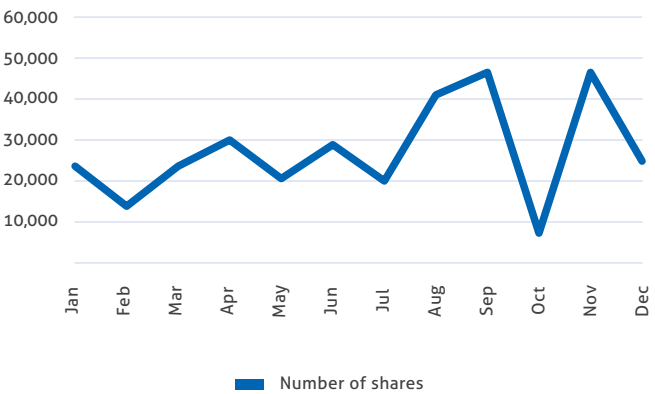
Relative quarterly movement of Semdex and Terra share price



	2013	2014	2015	2016	2017
SEMDEX (Points)					
- Year End Closing	2,095.69	2,073.72	1,811.07	1,808.37	2,202.14
SHARE PRICE (MUR)					
- Year End Closing Price	39.00	33.00	28.50	30.00	27.95
- High	42.60	39.30	33.50	32.05	33.80
- Low	38.50	33.00	28.00	28.50	27.95
<i>Note: The Terra share price was MUR 28.00 on 29 March 2018</i>					
YIELDS					
- Earnings Yield %	4.10%	4.21%	9.19%	3.20%	1.36%
- Dividend Yield %	2.05%	2.42%	2.98%	2.83%	3.04%
PRICE EARNINGS RATIO	24.38	23.74	10.88	31.25	73.55

Average volume traded monthly on the Stock Exchange in 2017

MONTH	AVERAGE VOLUME TRADED
Jan	23,372
Feb	13,982
Mar	24,052
Apr	30,656
May	21,853
Jun	28,436
Jul	20,534
Aug	41,214
Sep	47,911
Oct	7,322
Nov	46,758
Dec	25,840

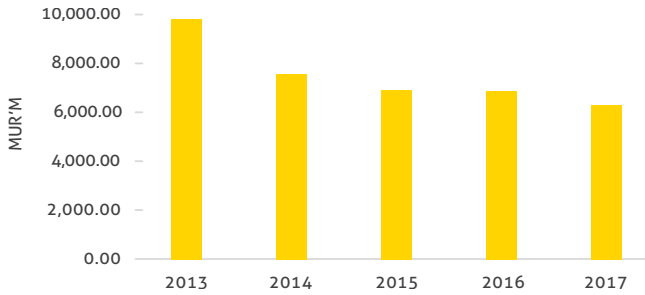


SHARE ANALYSIS AND Stock Exchange Performance

(cont'd)

Market capitalisation

	MUR' M	EUR' M*	USD' M*
2013	8,874.28	216.21	258.38
2014	7,509.01	182.94	218.63
2015	6,845.05	166.77	199.29
2016	6,826.37	166.31	198.75
2017	6,359.90	154.95	185.17



* The exchange rates used are those for the year 2017 as displayed below.

The market capitalisation of Terra on 29 March 2018 was MUR 6,371.28 million.

Main Exchange Rates to the Rupee

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

Currency	31 December 2016	29 December 2017
Euro	38.7635	41.0455
US Dollar	36.8155	34.3464
GB Pound	45.2186	46.1832
SA Rand	2.7271	2.7853

Shareholders' Calendar and Relations

Financial year-end
Publication of yearly group abridged financial statements (audited)
Group audited annual financial statements available
Quarterly financial report - Q1 (unaudited)
Annual report issued
Annual meeting of shareholders
Quarterly financial report - Q2 (unaudited)
Quarterly financial report - Q3 (unaudited)
Dividend - declaration
- payment

31 December
Late March
Late March
Mid May
Mid June
Late June
Mid August
Mid November
Late November
Late December

Website: www.terra.co.mu

For more details on shareholders' relations and communication please refer to pages 62 and 63.

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 March 2018

STATEMENT of Compliance

(pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): Terra Mauricia Ltd

Reporting period: 31 December 2017

We, the directors of Terra Mauricia Ltd, confirm that, to the best of our knowledge, the PIE has not complied with Sections 2.2.6, 2.8.2 and 3.9.3 of the Code of Corporate Governance. Reasons for non-compliance are given on pages 57, 59 and 62 of the Corporate Governance report.

Alain Rey
Chairman
29 March 2018

Nicolas Maigrot
Managing Director

STATEMENT OF DIRECTORS' Responsibilities in Respect of Financial Statements

Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of 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 International Financial Reporting Standards (IFRS);
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements;
- (iv) establishing Internal Audit function to ensure internal controls are in force.

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 78 to 82.

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 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.

Signed on behalf of the Board of Directors by

Alain Rey
Chairman
29 March 2018

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 2017 are given on pages 46 and 47 of this report. In addition, a list of directors of subsidiary companies at the same date appears on page 146.

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. Mr Alain Vallet has retired as executive on 31 December 2016 and benefited of a pre-retirement leave up to 31 March 2017. 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	
	2017	2016	2017	2016
	MUR'M	MUR'M	MUR'M	MUR'M
Emoluments paid by the Company and its subsidiaries to:				
- Directors of Terra Mauricia Ltd:				
• Executive				
Full-time	1.0	0.9	25.6	24.9
part-time	0.7	1.5	8.6	13.1
• Non-executive	5.6	5.0	0.7	0.6
	7.3	7.4	34.9	38.6

- Directors of subsidiary companies (other than those of Terra Mauricia Ltd):

	2017	2016
	MUR'M	MUR'M
• 13 Executive (13 in 2016)		
Full-time	60.7	51.4
• 20 Non-executive (17 in 2016)	0.6	0.6
	61.3	52.0

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 materially interested, either directly or indirectly.

Auditors' Remuneration

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	MUR'M	MUR'M	MUR'M	MUR'M
Audit fees paid to:				
- BDO & Co	3.3	3.3	0.9	0.9

The auditors did not receive any fees for other services.

STATUTORY Disclosures

(cont'd)

Donations

	THE GROUP	
	2017	2016
	MUR' M	MUR' M
Contributions towards Corporate Social Responsibility	8.0	8.0
Number of projects funded: 77. (2016: 59)		
Political	0.5	-

Senior Officers' Interests

The Group's senior officers' interests in the Company as declared under the Securities Act 2005 as at 31 December 2017 were as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	Beneficial	%	Non-beneficial	%	Beneficial	%	Non-beneficial	%
SENIOR OFFICERS OF THE COMPANY								
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	133	0.00%	-	-	23,583	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	436,310	0.19%	4,541,285	2.00%
Alain Vallet	263,890	0.12%	-	-	227,143	0.10%	-	-
Hubert Harel	75,000	0.03%	-	-	-	-	156,000	0.07%
Jean Marc Jauffret	2,000	0.00%	-	-	-	-	-	-
Sébastien Mamet	300	0.00%	-	-	-	-	-	-
Bernard Desvaux de Marigny	1,925	0.00%	-	-	-	-	-	-
Noufail Manjoo	235	0.00%	-	-	-	-	-	-
Christopher Park	3,000	0.00%	-	-	-	-	-	-
OTHER INSIDERS								
Olivier Prod'hon	800	0.00%	-	-	-	-	-	-
Armelle Mallac Sim	1,563,151	0.69%	-	-	7,663,210	3.37%	4,433,454	1.95%
Patrick Raffray	133	0.00%	-	-	-	-	-	-
TOTAL	2,324,233	1.02%	-	-	8,350,512	3.67%	9,130,739	4.01%
Total issued shares	227,545,624							

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