

# CORPORATE GOVERNANCE

## Report

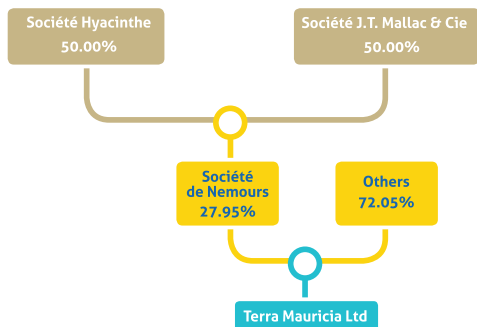
### Statement of Compliance

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         | %            |
| <b>DIRECTORS</b>         |                 |              |          |          |                |              |                  |              |
| Maurice de Marassé Enouf | -               | -            | -        | -        | -              | -            | -                | -            |
| Nikhil Treebhooonun      | -               | -            | -        | -        | -              | -            | -                | -            |
| 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%        | -                | -            |
| <b>Total</b>             | <b>752,689</b>  | <b>0.33%</b> | <b>-</b> | <b>-</b> | <b>549,985</b> | <b>0.24%</b> | <b>1,135,710</b> | <b>0.50%</b> |
| 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.

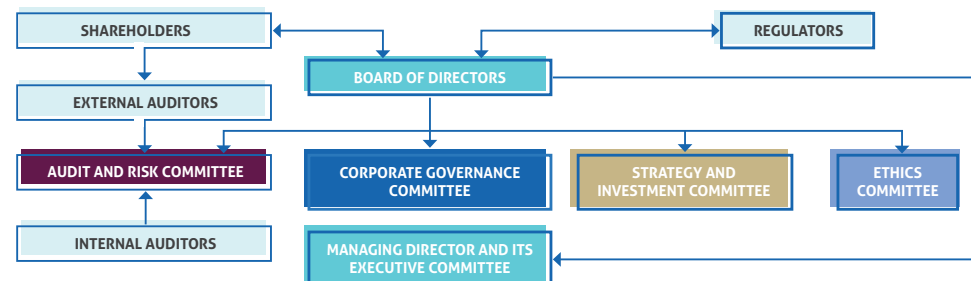
### Group Company Secretary

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 Treebhooonun** -

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 Treebhoohun** -

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