

Corporate governance report

The Directors have pleasure in submitting the Company's report on corporate governance.

This report describes the main corporate governance framework and compliance of the Company with the disclosures required under the Code of Corporate Governance for Mauritius ('The Code'). Reasons for non-compliance are provided in the Corporate Governance Report, where applicable.

ENL Limited ('ENL') was incorporated in 1944 as a holding company to bring together the interests held by the Espitalier-Noël family. ENL remains at the outset a family owned business whose control is exercised by the Espitalier-Noël family. This is reflected in the composition of the Board of Directors and the executive management of ENL. The family values are thus upheld and infused in every action undertaken by the Group.

The ultimate holding company of ENL is L'Accord Limited, a limited-liability public company while the ultimate control of the Company remains with Société Caredas, a société civile.

ENL is the holding Company of the ENL Group of companies, with two main subsidiaries, namely ENL Land Ltd and ENL Commercial Limited, which together contributed most of the Group's turnover and profit after tax for the year under review. Effective 1 October 2012, Rogers & Company Limited became a subsidiary company of ENL and effective 1 February 2016, ENL Investment Limited has been amalgamated with and into ENL Land Ltd.

Both ENL Land Ltd and ENL Commercial Limited are listed on the Official List of the Stock Exchange of Mauritius Limited and have implemented the recommendations of The Code, as reported under their respective report on corporate governance, notably:

- > Independent Directors on the Board;
- > An Audit and Risk Management Committee composed entirely of Non-Executive Directors;
- > A Corporate-Governance Committee chaired by an Independent Non-Executive Director.

No Audit and Risk Management Committee and Corporate Governance Committee have been implemented at the level of ENL since the Company's core business consists in investment and management of two subsidiaries all of which are equipped with fully fledged systems of corporate governance as explained above. Besides, the Board of Directors remains the focal point of the corporate governance system and is accountable and responsible for the performance and affairs of the Company.

1. Corporate transaction

> In May 2013, the shareholders of ENL had, at a special meeting, approved the following Bonus Issue:

(i)	104,339,424 new Preference Shares (listed shares on the DEM) credited as fully paid up to:	holders of Preference Shares in the proportion of 149 new Preference Shares for every Preference Share held; holders of Ordinary Shares (unlisted shares) in the proportion of 53 new Preference Shares for every Ordinary Share held.
(ii)	108,074,976 new Ordinary Shares (unlisted shares) credited as fully paid up to holders of Ordinary Shares in the proportion of 96 new Ordinary Shares for every Ordinary Share held.	

> The stated capital of the Company now amounts to:

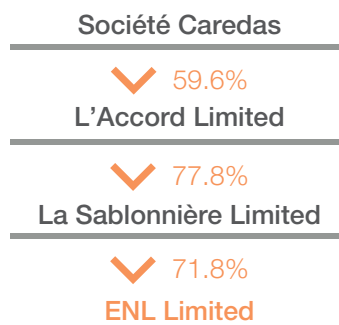
No. of Ordinary shares of Rs 10 each	109,200,757
No. of Preference shares of Rs 10 each	104,639,243
Stated Capital	Rs 2,138,400,000

2. Shareholders

(i) Holding structure

The Company's holding structure as at 30 June 2017 was as follows:

(The % disclosed relates to voting rights)



(ii) Common directors

For the year ended 30 June 2017, the common directors within the Company's holding structure were as follows:

Name of Director	L'Accord Limited	La Sablonnière Limited
Eric Espitalier-Noël	●	●
Gérard Espitalier Noël		●
Gilbert Espitalier-Noël	●	
Hector Espitalier-Noël	●	●
Roger Espitalier Noël	●	●
Patrice de Robillard	●	●

(iii) Substantial shareholders

As at 30 June 2017, the sole shareholder holding more than 5% of the ordinary shares of the Company was as follows:

	Ordinary (%)
La Sablonnière Limited	71.8

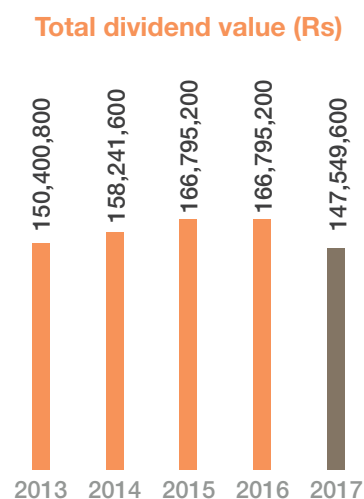
(iv) Shareholders' relations and communication

- > The Board of Directors places great importance on open and transparent communication with its shareholders.
- > The Company communicates to its shareholders through its Annual Report, circulars issued in compliance with the DEM Rules of the Stock of Exchange of Mauritius Limited, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declaration and the Annual Meeting of shareholders.
- > The website (www.enl.mu/investors/enl-limited), which includes an investors' corner, provides timely information to stakeholders. Interim, audited financial statements, press releases and so forth are already accessible therefrom.
- > Analysts meetings are also organised after the publication of audited abridged financial statements and analysts are invited to interact with management.
- > In compliance with the Companies Act 2001, shareholders are invited to the Annual Meeting of ENL at which the Board of Directors is also present. The Company's Annual Meeting provides an opportunity to shareholders to raise and discuss matters relating to the Company with the Board.

(v) Dividend policy

- > The Company has no formal dividend policy.
- > However, the Board believes that shareholders expect reasonable dividends to be paid by the Company, subject to its profitability, cash flow, working capital and capital-expenditure requirements.
- > The following table and graph outline the dividends paid by the Company over the last five financial years:

Financial years	DIVIDEND PER SHARE			
	Interim (Rs)		Final (Rs)	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
30 June 2013	50	50	0.37	0.37
30 June 2014	0.35	0.35	0.39	0.39
30 June 2015	0.39	0.39	0.39	0.39
30 June 2016	0.39	0.39	0.39	0.39
30 June 2017	0.39	0.39	0.30	0.30

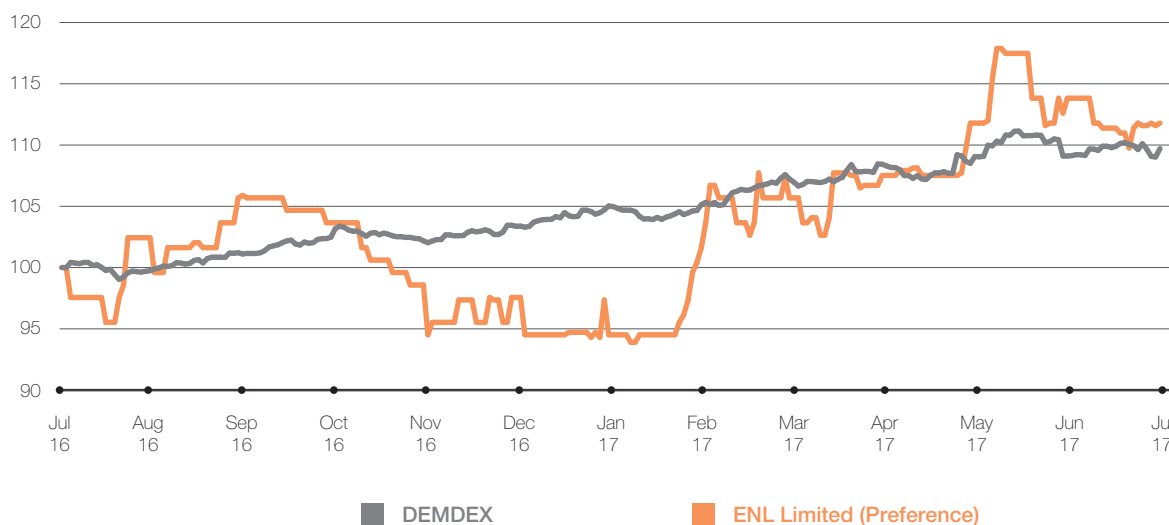
**(vi) Shareholders' calendar**

September 2017	Publication of abridged audited financial statements for year ended 30 June 2017
	Issue of Annual Report 2017
November 2017	Declaration of interim dividend
	Publication of 1 st quarter results to 30 September 2017
December 2017	Payment of interim dividend
	Annual Meeting of shareholders
February 2018	Publication of half-year results to 31 December 2017
May 2018	Publication of 3 rd quarter results to 31 March 2018
	Declaration of final dividend
July 2018	Payment of final dividend

(vii) **Stock market information**

- > The Company's Preference shares are listed on the DEM.
- > The Company is governed by the rules for DEM companies issued by the Stock Exchange of Mauritius Limited.
- > Hereunder is the graphical representation of the price movement of the Company's Preference shares from 1 July 2016 to 1 July 2017.

Share price movement



(viii) Share ownership

Distribution of shareholders at 30 June 2017

Range of shareholding	ORDINARY SHARES			PREFERENCE SHARES		
	Shareholder count*	No. of shares held	% of shares held	Shareholder count*	No. of shares held	% of shares held
1 - 500	18	4,989	0.00	131	24,954	0.02
501 – 1,000	18	14,841	0.01	46	38,723	0.04
1,001 – 5,000	58	149,125	0.14	202	543,804	0.52
5,001 – 10,000	11	94,090	0.09	119	830,234	0.79
10,001 – 50,000	86	2,228,428	2.04	252	5,860,563	5.60
50,001 – 100,000	36	2,679,837	2.45	72	4,938,377	4.72
100,001 – 250,000	31	4,813,043	4.41	51	7,597,873	7.26
250,001 – 500,000	4	1,589,830	1.46	46	15,852,313	15.15
Over 500,000	15	97,626,574	89.40	35	68,952,402	65.90
Total	277	109,200,757	100.00	954	104,639,243	100.00

* The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active Ordinary and Preference shareholders as at 30 June 2017 was 277 and 967 respectively.

Spread of shareholders

To the best knowledge of the Directors, the spread of shareholders at 30 June 2017 was as follows:

	ORDINARY SHARES			PREFERENCE SHARES		
	No. of shareholders	No. of shares held	% of shares held	No. of shareholders	No. of shares held	% of shares held
Individuals	240	22,301,608	20.423	811	46,349,034	44.29
Insurance & assurance companies	1	3,007	0.003	8	3,125,126	2.99
Pension & provident funds	-	-	-	14	2,614,432	2.50
Investment & trust companies	5	3,945,062	3.613	31	18,708,527	17.88
Other corporate bodies	31	82,951,080	75.962	90	33,842,124	32.34
Total	277	109,200,757	100.00	954	104,639,243	100.00

3. Board of Directors

- > ENL is governed by a Board of Directors consisting of ten Directors. The Board of Directors is the Company's supreme governing body and has full power over the affairs of the Company.
- > The Directors are aware that the Code recommends that each Director should be elected (or re-elected as the case may be) every year at the Annual Meeting of shareholders. The Board applies the provisions of the Company's Memorandum & Articles of Association, which provide that, at each Annual Meeting of the Company, one Director who has held office during a period of three years, retires by rotation and is eligible for re-appointment.
- > Newly appointed Directors go through a full induction process in order to become familiar with the Group's operations, business environment and Senior Management. During the year under review, Mr Philippe Espitalier-Noël has resigned as Director and Messrs. Gérard Espitalier Noël and Thierry Koenig have been appointed as additional Directors of ENL Limited.
- > During the discharge of their duties, the Directors are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company.
- > Mr Hector Espitalier-Noël is the CEO and Chairman of ENL. During the performance of his duties, Mr Hector Espitalier-Noël ensures that information pertaining to the subsidiaries is communicated to the Board of Directors of ENL regularly so that the latter can exercise its supervisory function and ensures upholding of the family values and principles.
- > One of the primary roles of ENL is to provide corporate and management services to its main subsidiaries as per the management contracts with those companies. As such, Mr Hector Espitalier-Noël also leads the CEOs of the clusters of the Group.
- > ENL's Board focuses on strategic matters and policy decision making at Group level, while decisions of an operational nature are taken independently at the level of the Board of Directors of ENL's subsidiaries. Proper governance principles are exercised at the level of all subsidiaries. The Board of Directors of ENL's main subsidiaries is composed of a number of Non-Executive and Independent Non-Executive Directors.
- > Given the organisational structure of ENL Group, the Board of Directors of ENL believes that the role of the Chairman and CEO is thus efficiently carried out by the same person.
- > The Chief Financial Officer attends all Board meetings and assists in reporting at Board meetings.
- > During the year under review, the deliberations by the Board of Directors included the following:
 - o Approval of the Annual Report for the year ended 30 June 2016;
 - o Approval of financial results:
 - Abridged audited financial statements for the year ended 30 June 2016 for publication purposes;
 - The unaudited quarterly consolidated results of the Company for publication purposes;
 - o Preparation of Annual Meeting held in December 2016;
 - o Declaration and payment of interim and final dividends for the year ended 30 June 2017;
 - o Review of the Group's operations;
 - o Review of the performance of the Group against budget;
 - o Approval of transfers of shares;
 - o Assessment and approval of investment opportunities;
 - o Approval of banking facilities with financial institutions;
 - o Appointment of Messrs Gérard Espitalier Noël and Thierry Koenig as additional Directors on the Board of the Company;
 - o Approval of the 3-Year Plan (Vision 2020) of ENL Group.

(i) Directors' profile

The names and profiles of ENL's Directors are disclosed on pages 62 to 65 of the Annual Report.

(ii) Directors' interests

- > Directors inform the Company as soon as they become aware that they are interested in a transaction. The Company Secretary keeps a register of Directors' interests and ensures that the latter is updated regularly.
- > All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in ENL.
- > At 30 June 2017, the Directors' interests in the shares of the Company were as follows:

	ORDINARY SHARES				PREFERENCE SHARES			
	DIRECT		INDIRECT		DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
André Espitalier-Noël	-	-	544,912	0.499	384,900	0.368	11,510	0.011
Christian Espitalier-Noël	27,626	0.025	172,537	0.158	89,996	0.086	14,649	0.014
Edouard Espitalier-Noël	2,619	0.002	372,375	0.341	220,786	0.211	7,325	0.007
Eric Espitalier-Noël	1	0.000	9,787,664	8.963	-	0.000	5,739,462	5.485
Gérard Espitalier Noël <i>(appointed on 29 September 2016)</i>	25,072	0.023	895,446	0.820	537,702	0.514	19,881	0.019
Gilbert Espitalier-Noël	1	0.000	9,651,163	8.838	-	-	6,033,499	5.766
Hector Espitalier-Noël	319,130	0.292	10,127,278	9.274	-	-	5,746,787	5.492
Philippe Espitalier-Noël <i>(resigned on 12 October 2016)</i>	25,996	0.024	10,075,954	9.227	282,340	0.270	6,074,308	5.805
Roger Espitalier Noël	-	-	1,299,489	1.190	233,964	0.224	543,078	0.519
Patrice de Robillard	34,400	0.032	756,761	0.693	-	-	461,459	0.441
Thierry Koenig <i>(appointed on 25 October 2016)</i>	-	-	214,033	0.196	-	-	149,634	0.143

(iii) Share dealings by directors

- > The Board adheres to the principles of the rules for DEM companies issued by the Stock Exchange of Mauritius Limited and The Companies Act 2001 in respect of share dealings.
- > The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect of the above rules.

> During the financial year under review, none of the Directors have traded in the shares of ENL except for the following:

	ORDINARY SHARES		PREFERENCE SHARES	
	No. of shares acquired	No. of shares disposed	No. of shares acquired	No. of shares disposed
André Espitalier-Noël	-	-	384,900	-
Christian Espitalier-Noël	17,150	-	-	-
Edouard Espitalier-Noël	2,425	-	-	-
Patrice de Robillard	15,000	-	-	-
Indirectly through associates of Directors:				
Roger Espitalier Noël through Societe Fleurdesel Argente	2,425	-	-	-
André Espitalier-Noël through Societe Pardevoument	-	-	-	1,924,502

(iv) Board appraisal

- > The Board of Directors has earlier resolved that Board appraisals shall be conducted every two years by the Company, the last one having been carried out in May/June 2016.
- > This time frame enables ENL to ensure on going improvements in governance matters.

(v) Board charter

The Board is of the view that the responsibilities of the Directors should not be confined in a Board charter and has consequently resolved not to adopt a charter.

(vi) Attendance at Board meetings

The attendance of the Directors at the Board meetings of the Company was as follows:

No. of Board meetings held		
5		
Category	Directors	Attendance
Executive	Eric Espitalier-Noël	3
	Hector Espitalier-Noël	5
	Philippe Espitalier-Noël <i>(resigned on 10 October 2016)</i>	1
Non-Executive	Gilbert Espitalier-Noël	4
Independent Non-Executive	André Espitalier-Noël	4
	Christian Espitalier-Noël	4
	Edouard Espitalier-Noël	4
	Gérard Espitalier Noël <i>(appointed on 29 September 2016)</i>	2
	Roger Espitalier Noël	5
	Patrice de Robillard	3
	Thierry Koenig <i>(appointed on 25 October 2016)</i>	4

(vii) Remuneration of Directors

- > The underlying philosophy for the remuneration of Directors is to set remuneration at appropriate level to attract, retain and motivate high calibre personnel and reward in alignment with their individual as well as joint contribution towards the achievement of the Company's objective and performance, whilst taking into account the current market conditions and Company's financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board.
- > There is currently no Executive Director approaching retirement.
- > Any Director who is in full time employment of ENL does not receive any additional remuneration for sitting on the Board of Directors.
- > Any remuneration perceived by an employee of ENL Group in respect of his sitting on the Board of Directors of any other company, is deducted from his yearly remuneration.

> For the year under review, the actual remuneration and benefits perceived by the Directors are as per below:

Directors	Remuneration from the Company (Rs)	Remuneration from subsidiaries (Rs)	Remuneration from companies on which Director serves as representative of the Company (Rs)
André Espitalier-Noël	85,000	-	-
Christian Espitalier-Noël	85,000	-	-
Edouard Espitalier-Noël	85,000	200,000	-
Eric Espitalier-Noël	75,000	11,727,320	-
Gérard Espitalier Noël <i>(appointed on 29 September 2016)</i>	65,000	95,000	-
Gilbert Espitalier-Noël	85,000	685,000	-
Hector Espitalier-Noël	17,412,566	1,121,500	-
Philippe Espitalier-Noël <i>(resigned on 10 October 2016)</i>	32,500	17,854,438	-
Roger Espitalier Noël	95,000	457,500	-
Patrice de Robillard	75,000	-	-
Thierry Koenig <i>(appointed on 25 October 2016)</i>	85,000	-	-

4. Profile of the Senior Management team

The profile of the Senior Management team of ENL is disclosed on pages 66 to 67 of the Annual Report.

5. ENL Corporate Services Limited (ENLCS)

ENLCS is a wholly owned subsidiary of ENL which provides a range of corporate services such as human resources, communication, legal, secretarial, information & communication technology, internal audit, marketing services to companies forming part of the ENL Group.

Human Resources

The Human Resources (HR) department endeavours to provide HR services to meet the Group's goals in terms of attraction and retention of talents, development of people's potential, performance enhancement, employee engagement, and work-life balance in line with the values of the ENL Group.

Communication

The corporate communication department has the overall responsibility to preserve and promote the ENL brand image and reputation. It does so by implementing an integrated communication strategy that optimises the use of multiple channels to effectively reach the different constituencies of ENL.

Secretarial & legal

The secretarial & legal department provides secretarial services and legal assistance encompassing meetings' management, contract drafting, assistance on mergers and acquisitions amongst others, thus ensuring that companies comply with their statutory and contractual obligations.

Information & Communication Technology (ICT)

The main mission of the ICT department is to provide strategic and operational support to ENL companies to leverage each company's ICT to achieve their business objectives. A customized service is provided in terms of planning, management of ICT projects and provision of technical support.

Internal Audit & risk management

Using a risk based methodology, the Internal Audit team of ENLCS examines the adequacy and compliance with policies, plans and statutory requirements for Group companies forming part of its audit universe. It is also responsible for assessing and improving the effectiveness of governance, risk management, control and ethics across the Group.

Business process

This service empowers ENL business units to enhance their performance in a constantly changing environment through continuous improvement methods. It advocates for a participatory approach to problem solving, promoting a culture where processes are monitored and energies are focused on achieving common business objectives.

Marketing

The mission of the Marketing function is to grow the ENL brand and assist entities in uncovering business opportunities, define the commercial strategy, plan the overall brand experience and build engaging relationships with target customers.

6. Registered office

The registered office of ENL is situated at ENL House, Vivéa Business Park, Moka.

7. Human capital

Please refer to pages 50 to 54 of the Annual Report.

8. Related party transactions

Note 38 of the audited financial statements for the year ended 30 June 2017 set out on pages 190 to 191 of the Annual Report 2017 details all the related party transactions between the Company 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. In addition, shareholders are apprised of related party transactions through press releases in compliance with the DEM Rules.

9. Material clauses of the Company's memorandum & articles of association

- > Preference shares are freely transferable both within and outside the shareholders of the Company.
- > On the other hand, ordinary shares are freely transferable only to other holders of such ordinary shares.
- > Ordinary shareholders wishing to transfer their ordinary shares to persons, who are not already ordinary shareholders of the Company, shall do so via the Board of Directors as provided under the provisions of the articles of association of the Company.

10. Shareholders' agreement affecting the governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

11. Contracts of significance between the Company and its substantial shareholders

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement during the year under review.

12. Third party management agreements

The Group has the following management agreements with third parties:

- > ENL Commercial has a management contract with Superdist Limited for the provision of management services and is remunerated at a fixed monthly fee of Rs 90,000 (exclusive of Value Added Tax).
- > A development management agreement with Dolphin Coast Marina Estate Ltd for managing the development of an IRS at La Balise. The contract is remunerated at 3.8% of the total development costs and is discharged by ENL Property.
- > A contract with FRCI Group for the provision of secretarial services remunerated at an annual fixed fee.
- > A contract with New Mauritius Hotels Limited for the provision of secretarial services remunerated at an annual fixed fee.
- > A contract with Joinery and Metal Distribution International Limited for the provision of secretarial services remunerated at a quarterly fixed fee.
- > As from January 2017, ENL Agri Limited has entered into a management agreement with Circonstance Estate Ltd for the management of the agricultural operations, buildings and land assets of Circonstance Estate Ltd.

13. Share option plans

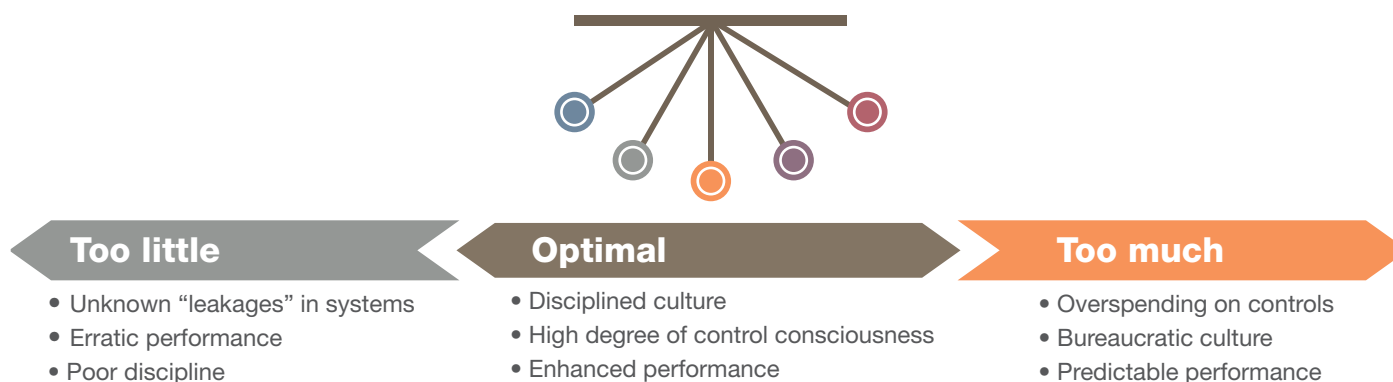
ENL has no share option plans.

14. Internal control

The Board is responsible for the system of internal control and risk management of the Group and its subsidiaries. The Board is committed to continuously maintain adequate internal control procedures with a view to safeguard the assets and reputation of the Group. Areas with high residual risks are continuously assessed and reviewed with the assistance of the Internal Audit department.

Management is accountable to the Board for the design, implementation and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the lines of defence: (i) Management of each subsidiary is appraised regularly in respect of performance and operations, and (ii) the Internal Audit function in accordance with their Internal Audit plan. This is in line with the '**Internal Control Policy and Framework**' of ENL Limited which emphasises on the need for the Company and its subsidiaries to have an adequate internal control system in place.

In the design of the internal control system, entities are encouraged to have the 'right balance of internal controls' whereby the efforts, costs, and time involved in operating these controls is balanced against the nature and significance of the risks they mitigate. This is well summarised in the diagram below which highlights that an optimal level of internal controls is an important consideration for higher performance and value creation.



Source: Smart Control: Transforming controls to reduce cost, enable growth and keep the business safe, EY, 2013.

15. Internal Audit

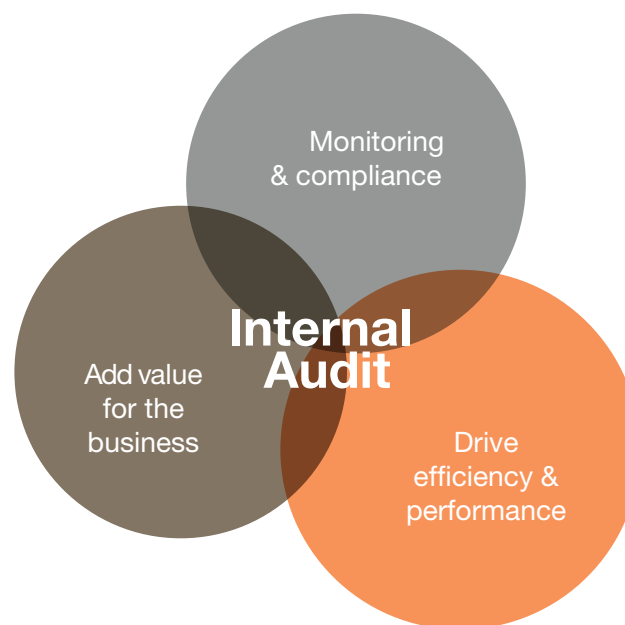
ENL Limited (ENL) provides Internal Audit services to its subsidiaries, with the exception of Rogers and Company Limited and the latter's direct subsidiaries (thereafter referred to as 'Rogers'). The services are provided in accordance with the terms of a management contract that binds the entities.

The Internal Audit function at Rogers is carried out by the Risk & Audit department, an independent in-house business unit operating within a framework aligned with the various policies, procedures and controls in existence at this company. The Head of Internal Audit and Risk Management of Rogers reports to the Risk Management and Audit Committee (RMAC) of Rogers.

ENL's Internal Audit department is adequately staffed with qualified auditors and certified Internal Auditor. ENL's Head of Internal Audit functionally reports to the respective Audit and Risk Management Committee (ARMCs), of the holding's subsidiaries being ENL Land Ltd and ENL Commercial Limited, on all Internal Audit issues of the respective companies.

The Internal Audit department operates in line with the Internal Audit Charter and provides independent assurance to the ARMC as to the adequacy and effectiveness of governance, risk management and internal controls. It has unrestricted access to review all activities and transactions undertaken within the Group and to appraise and report thereon. The Internal Audit department applies a risk based methodology that enables it to provide assurance on controls that address high risk areas and therefore help with the strengthening of the internal controls framework. This in turn supports the achievement of strategic objectives thus, enhancing organisational value for stakeholders.

The key drivers that guide the Internal Audit department of ENL in delivering effective results are:



Internal Audit activities are carried out in line with the Internal Audit plan, as approved by the respective ARMCs of the Group, prior to the start of each financial year. ENL's Head of Internal Audit is invited to all meetings of the respective ARMCs and is entitled to convene a special meeting of the Committee in order to deal with any matter which he considers to be urgent. A follow-up mechanism is also in place to facilitate the monitoring of progress of audit-related matters.

The Internal Audit department works closely with the external auditors in sharing of its findings. It also coordinates governance, risk and internal control related activities with other internal functions and business partners to optimise the level of service to the Group and avoid duplication.

During the year ended 30 June 2017, the main tasks carried out by the Internal Audit department of ENL were as follows:

> Providing assurance on internal controls in accordance with the Internal Audit Plan. The key areas reviewed at entities of ENL related to :

ENL Agri Limited and its subsidiaries	ENL Property Limited and its subsidiaries	ENL Commercial Limited and its subsidiaries	ENL Lifestyle Limited and its subsidiaries
Internal Audit engagements			
<ul style="list-style-type: none"> • Review over key processes supporting land de-rocking, preparation and cane plantation. • Follow-up over retention monies due for a specific subsidiary; • Review over processes underpinning delivery of services with respect to syndic management; and • Processes underpinning preparation and replies of quotations/'tenders' requests from customers. 	<ul style="list-style-type: none"> • Post-construction audits, for completed projects, with areas of focus being accounting and processes underpinning revenue and construction costs; • Review over business operations for a specific subsidiary; and • Review over payroll, human resources and training for a specific subsidiary. 	<ul style="list-style-type: none"> • Periodic review of inventory and accounts receivable management for one of the main subsidiaries. • Specific assignments at other subsidiaries include review of procurement-to-payment processes, stock management, sales, cash collection and banking and other key business processes. 	<ul style="list-style-type: none"> • Specific assignments at one of the main subsidiaries with respect to (i) review over sales, invoicing and accounts receivable; and, (ii) cash handling, collection and banking processes.

> Operational Management and Senior Management being apprised of salient audit observations and action plans during closing meetings held following completion of Internal Audit engagements. Such forums are intended to validate and prioritise on the importance of management action plans for addressing internal control deficiencies or improvements. The Internal Audit reports are subsequently reported to Senior Management of ENL and ARMCS of ENL Land Ltd and ENL Commercial Limited, as appropriate;

> Conducting detailed follow-up of action plans of previous internal audit reports, to appraise their implementation status, which are reported to the Senior Management and ARMCS for monitoring;

> Collaborating with external auditors and sharing of audit findings; and

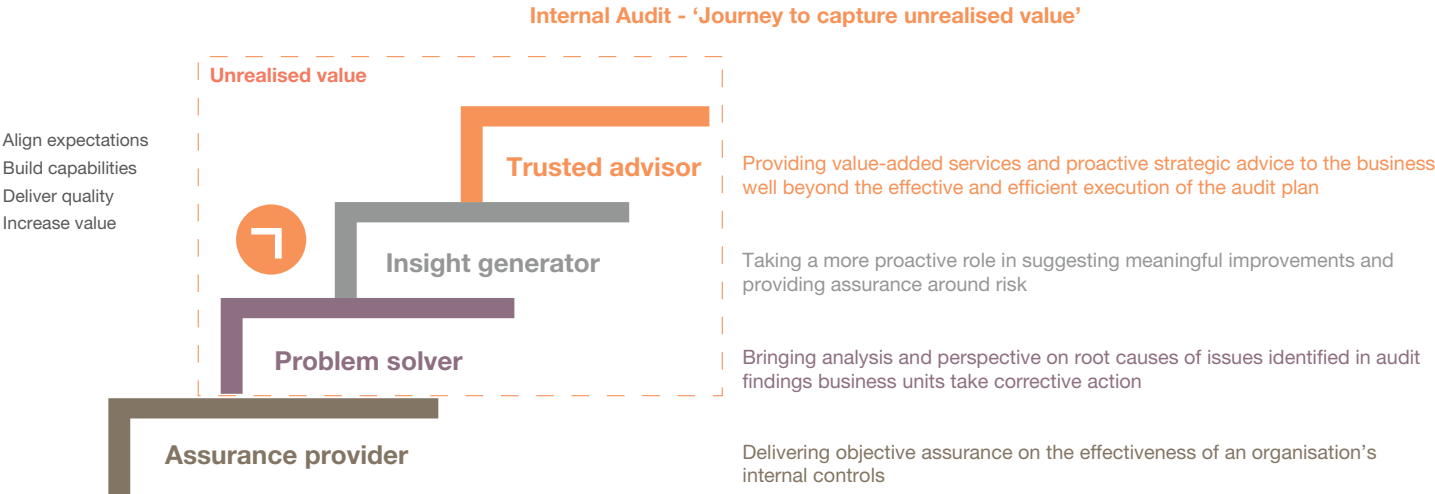
> Preparing the Internal Audit plan for year ending 30 June 2018 for approval by the ARMCS.

Initiatives : Revisiting Internal Audit’s strategic direction as per ENL’s Vision 2020

In line with ENL’s Vision 2020, the Internal Audit strategic direction has been aligned with the defined enablers. The following table summarises the key initiatives of the Internal Audit function in line with the four strategic enablers:

 <p>Client centricity</p>	 <p>Innovation</p>	 <p>Operational efficiency</p>	 <p>Management commitment</p>
<ul style="list-style-type: none"> • Explore use of ‘Continuous audit’ for specific entities; • Enhance ‘Risk culture’; • Raise awareness on ‘Good governance & ethics’. 	<ul style="list-style-type: none"> • Promoting new service lines and build in-house skills: <ul style="list-style-type: none"> ○ Governance and risk management, ○ Non-financial audits, ○ IT and forensic. 	<ul style="list-style-type: none"> • Enhance ‘Internal Audit methodology’ in line with IIA Standards; • Explore investment in ‘IT software-analytics’. 	<ul style="list-style-type: none"> • Continuous training and building competencies; • Talent management and employee engagement.

These initiatives will pave the way to reinforcing the Internal Audit function as a trusted business advisor while fulfilling its role as the third line of defence. The journey to reach this desired level can be summarised in the diagram below.



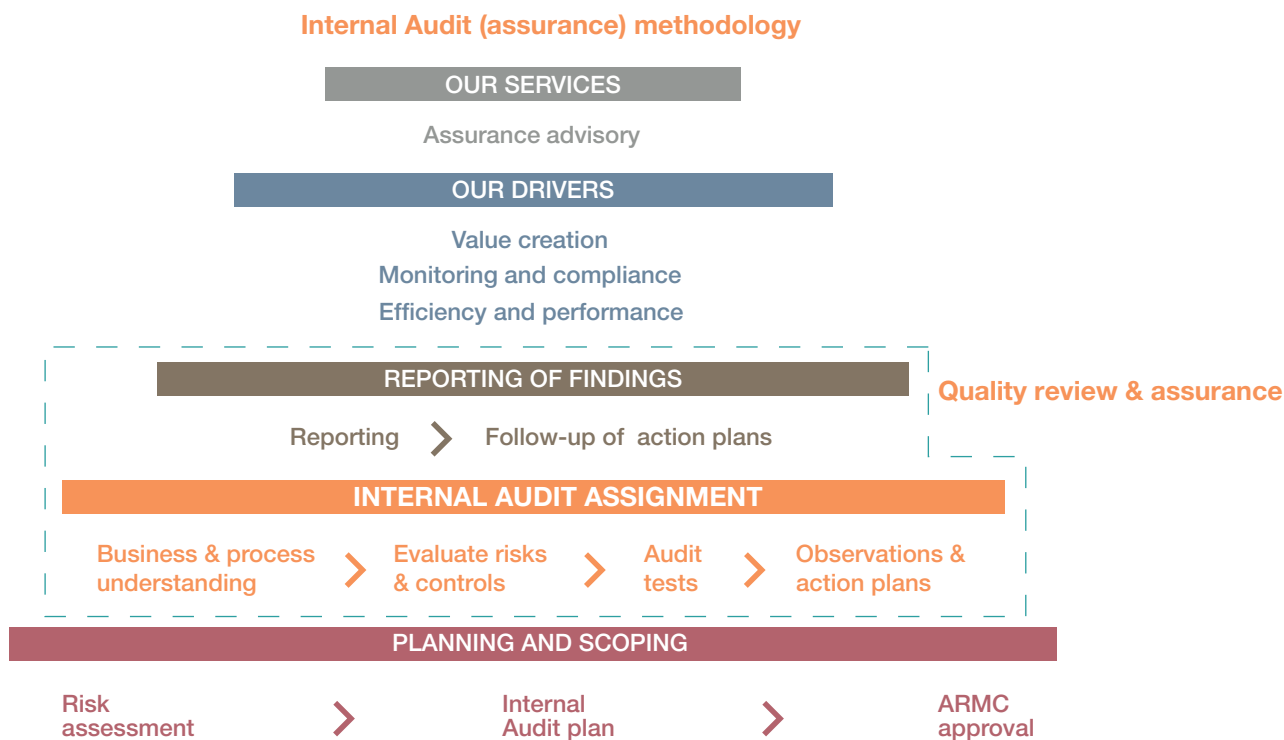
Source: PwC's, Higher performance by design: A blueprint for change

The Internal Audit department presently positions itself between the **problem solver** and **insight generator** categories.

Internal Audit (assurance) methodology:

A snapshot of the improved internal audit (assurance) methodology in the planning, performance and delivery of engagements is illustrated in the graphic below:

- (i) **‘Planning and Scoping’** of engagements whereby the Internal Audit plan is prepared annually to provide assurance on processes and controls that mitigate significant risk exposures of the business, and is approved by the ARMC prior to start of the financial year.
- (ii) Conducting **‘Assurance assignment’** whereby business activities and processes are understood, risks and controls are evaluated, audit tests of internal controls are carried out and observations as well as corresponding action plans to strengthen the internal controls are formulated.
- (iii) **‘Reporting of findings’**, representing the last stage of the audit lifecycle whereby observations and action plans are shared and discussed with Operational Management, Senior Management and ARMC. Action plans, as agreed with Operational Management, are monitored via the follow-up mechanism to independently ascertain whether risk exposures are effectively mitigated.



Quality review and assurance, of the work and reports submitted by the Internal Audit (assurance) team, is pervasive throughout each stage of the audit lifecycle to ensure that audit objectives have been effectively fulfilled.

16. Risk management

The activities of the risk management processes of ENL are explained on pages 34 to 49 of the Annual Report.

17. Code of ethics

ENL Code of ethics is underpinned by ENL's values and puts forward 10 Principles which reflect ethical behaviours and attitudes expected from ENL employees and governing bodies of ENL. The principles and rules formulated in the Code do not replace local legislation in the countries where ENL operates. The Code also provides an ethics enabling mechanism in event of ethical breaches.

our principles

- ✓ We embody respect and fair treatment
- ✓ We care for our people
- ✓ We behave with integrity
- ✓ We care for our island and our planet
- ✓ We protect and use company information and IT assets properly
- ✓ We deliver to our shareholders
- ✓ We avoid conflict of interests
- ✓ We protect our assets
- ✓ We put our heart in serving our customers
- ✓ We build sustainable partnerships.

ENL Limited is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

“We are committed, through this Code of ethics, to further strengthen our governance structure as we strongly believe that a company which adopts sound management principles will be in a better position to grow its wealth in the long-run and to transmit its values to next generations.”

Hector Espitalier-Noël
CEO

The Code has been disseminated amongst all the employees and the respective governing bodies. New joiners are remitted a copy of the Code and are required to adhere to its content upon their induction.

The Code also outlines that ENL Directors and employees shall be required to acknowledge on a yearly basis that they have read, understood and agreed to comply with the principles of the Code. During the year ended 30 June 2017, the Group and HR functions of ENL facilitated the renewal of adherence process for ENL Directors and employees.

18. Safety and health

- > The Group's businesses are committed to ensuring and maintaining the highest standards of safety and health for our employees and other people concerned with the Group's activities.

- > The safety and health of our employees is important for the smooth running and cost-effectiveness of the business. The co-operation of all concerned in identifying hazards and controlling risks is thus of paramount importance.
- > To meet these commitments, the Company and its subsidiaries:
 - o comply with The Occupational Safety and Health Act No 28 of 2005 and other related legislative and regulatory frameworks.
 - o provide its employees with sufficient information, instruction, training, and supervision to enable them to carry out their functions and responsibilities in a safe and efficient manner.
 - o encourage employees to enter into open dialogue with management relating to any issue of concern on matters of safety and health.
 - o consult Safety and Health representatives during Safety and Health committees and audits.
 - o wherever applicable, subsidiaries have employed Health and Safety officers and/or established Health and Safety Committees to ensure that the legal framework is complied with and contribute to the well-being of their employees.
- > During the year under review, 96 employees of ENL Land Group (excluding employees of Rogers Group) were trained in First aid.

19. Company Secretary

- > All Directors have access to the advice and services of the Company Secretary.
- > The Company Secretary is responsible to the Board for ensuring proper administration of Board proceedings.

- > The Company Secretary provides guidance to Directors on matters of company law and with regard to their responsibilities in the statutory environment in which the Company operates.

20. Auditor's fees

The fees paid to the auditors for audit and other services are disclosed on page 92 of the Annual Report.

21. Donations

The aggregate amounts of political and other donations made during the year under review are disclosed on page 91 of the Annual Report.

22. Building sustainability

A full report on Social capital is set out on pages 56 to 59.

23. New National Code of Corporate Governance (2016)

The new Code of Corporate Governance (2016) for Mauritius was launched on 13 February 2017 and will be implemented across the Group during the financial year ending 30 June 2018.



Laowmila B Arlandoo, ACIS
Company Secretary

29 September 2017

board of directors' statements

Other statutory disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

30 June 2017

Activities

The activities of ENL Group are disclosed on pages 16 to 33 of the Annual Report 2017.

Directors

A list of the Directors of the Company and its subsidiaries is given on pages 198 to 203 of the Annual Report 2017.

Directors' service contracts

None of the Directors of the Company and of the subsidiaries have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Contracts of significance

During the year under review, there was no contract of significance to which ENL Limited, or one of its subsidiaries, was a party and in which a Director of ENL Limited was materially interested either directly or indirectly.

Directors' remuneration and benefits

Total remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries were as follows:

Directors of ENL Limited

Executive

Full-time

Part-time

Non-Executive

Post-employment benefits – Executive Directors

	From the Company		From the subsidiaries	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Full-time	15,109	15,306	1,122	1,184
Part-time	108	140	9,962	26,763
Non-Executive	660	545	1,342	1,239
Post-employment benefits – Executive Directors	2,303	1,883	1,765	2,827
	18,180	17,874	14,191	32,013

BOARD OF DIRECTORS' STATEMENTS

Directors of subsidiary companies who are not Directors of the Company

Executive (2017: 57; 2016: 45)

Full-time

Part-time

Non-Executive (2017: 95; 2016: 97)

Post-employment benefits – Executive Directors

	2017 Rs'000	2016 Rs'000
Full-time	266,965	213,904
Part-time	-	-
Non-Executive	5,570	6,641
Post-employment benefits – Executive Directors	7,875	3,178
	280,410	223,723

Directors' interests in shares

- (i) The interests of the Directors in the shares of ENL Limited as at 30 June 2017 are found on page 75 of the Annual Report.
- (ii) As at 30 June 2017, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the Company:

	Ascencia Ltd (Class A Shares)		Ascencia Ltd (Preference Shares)		ENL Commercial Limited		ENL Land Ltd (Ordinary Shares)		ENL Land Ltd (Preference Shares)		Rogers and Company Limited	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
André Espitalier-Noël	-	-	-	-	16,528	0.0567	189,411	0.0640	-	-	-	-
Christian Espitalier-Noël	-	-	-	-	-	-	-	-	5,000	0.1487	-	-
Edouard Espitalier-Noël	28,898	0.0067	5,400	0.0466	6,387	0.0219	59,871	0.0202	13,975	0.4156	40,000	0.0159
Eric Espitalier-Noël	-	-	-	-	259,728	0.8903	105,700	0.0357	-	-	-	-
Gérard Espitalier Noël <i>(appointed on 29 September 2016)</i>	3,400	0.0008	-	-	11,104	0.0381	162,014	0.0548	-	-	2,400	0.0010
Gilbert Espitalier-Noël	-	-	-	-	-	-	-	-	-	-	18,320	0.0073
Hector Espitalier-Noël	-	-	-	-	427,351	1.4649	37,029	0.0125	-	-	-	-
Philippe Espitalier-Noël <i>(resigned on 10 October 2016)</i>	-	-	-	-	-	-	-	-	-	-	23,800	0.0094
Roger Espitalier Noël	-	-	-	-	91	0.0003	2,316	0.0008	-	-	-	-

BOARD OF DIRECTORS' STATEMENTS

Direct and indirect interests of senior officers (excluding Directors) in the equity of ENL Limited or any subsidiaries

- (i) As at 30 June 2017, none of the senior officers (excluding Directors) held any direct or indirect interests in the equity of the Company.
- (ii) As at 30 June 2017, the following senior officers (excluding Directors) held direct interest in the equity of the subsidiaries of the Company as detailed below:

	Ascencia Ltd (Class A shares)		ENL Land Ltd (Ordinary Shares)		ENL Land Ltd (Preference Shares)		Rogers and Company Limited	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Virginie Corneillet	-	-	1,500	0.001	-	-	1,900	0.0008
Jean Raymond Hardy	-	-	11,610	0.004	-	-	17,000	0.0067
Johan Pilot	11,600	0.0027	13,700	0.005	-	-	-	-

Indemnities and insurance

A Directors' and officers' liability insurance policy has been subscribed to by the Company. The policy provides cover for the risks arising out of the acts or omissions of the Directors and officers of the Company. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

Donations

Donations made during the year:

• Political (Rs'000)

• Corporate Social Responsibility (Rs'000)

Statutory

Voluntary

Number of recipients (no.)

	Group		Company	
	2017	2016	2017	2016
Political	3,200	-	-	-
Statutory	9,618	5,415	417	464
Voluntary	10,582	5,897	583	-
Number of recipients (no.)	760	664	102	107

BOARD OF DIRECTORS' STATEMENTS

Auditors' remuneration

Audit fees paid to:

BDO & Co
Other firms

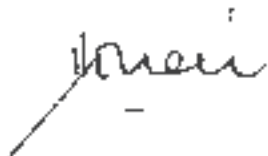
Fees paid for the other services provided by:

BDO & Co
Other firms

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
BDO & Co	20,391	19,983	950	900
Other firms	7,600	4,500	-	-
Fees paid for the other services provided by:				
BDO & Co	3,100	2,500	-	-
Other firms	7,000	8,500	-	-

Fees paid for other services to BDO & Co consist of assisting in the preparation of information memorandum, amalgamation proposal and limited review of some subsidiaries.

Approved by the Board of Directors on 29 September 2017



Hector Espitalier-Noël
Chairman



Roger Espitalier Noël
Director

Statement of Directors' responsibilities

In respect of financial statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the Directors are required to:

- > select suitable accounting policies and then apply them consistently;
- > make judgments and estimates that are reasonable and prudent;
- > state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements;
- > prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business; and
- > ensure that the Code of Corporate Governance has been adhered to and in case of non-compliance, reasons have been provided accordingly.

The Directors confirm that they have complied with the above requirements in preparing the Company's financial statements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is also responsible for the system of internal control and risk management for the Company and its subsidiaries. The Board is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. This is achieved through the Internal Audit department which is headed by the Head of Internal Audit.

The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Group and the Company.

BOARD OF DIRECTORS' STATEMENTS

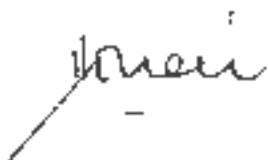
Statement of compliance

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

Name of Public Interest Entity ('PIE'): ENL Limited

Reporting Period: 1 July 2016 to 30 June 2017

We, the Directors of ENL Limited, confirm that to the best of our knowledge, the PIE has not complied with Sections 2.2.6, 2.5.4, 2.5.5, 2.10 and 3.5 of the Code of Corporate Governance. The reasons for non-compliance are detailed on pages 68, 74 and 76 of the Corporate governance report.



Hector Espitalier-Noël
Chairman



Roger Espitalier Noël
Director

29 September 2017

company secretary's certificate

(Pursuant to Section 166(d) of The Companies Act 2001)

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

A handwritten signature in black ink, appearing to read 'Bumun' or similar, written in a cursive style.

Laowmila B Arlandoo, ACIS
Company Secretary

29 September 2017