

# corporate governance report

ENL Land Ltd ('ENL Land') qualifies as a public interest entity under the provisions of the Financial Reporting Act.

Year 2017 has marked an important change in the Corporate Governance regime of Mauritius. The New Code of Corporate Governance ('New Code') is effective since 1 July 2017 and is applicable for reporting by ENL Land in respect of its financial year ended 30 June 2018.

The Code comprises of 8 principles and is on an 'Apply and Explain' basis, thus departing from the previous code which was on a 'Comply or Explain' basis. The Corporate Governance report of ENL Land describes the main corporate governance framework and application of the principles of the New Code by the company.

This report, along with the Annual Report, is published in its entirety on the Company's website: [www.enl.mu/investors/enl-land](http://www.enl.mu/investors/enl-land)

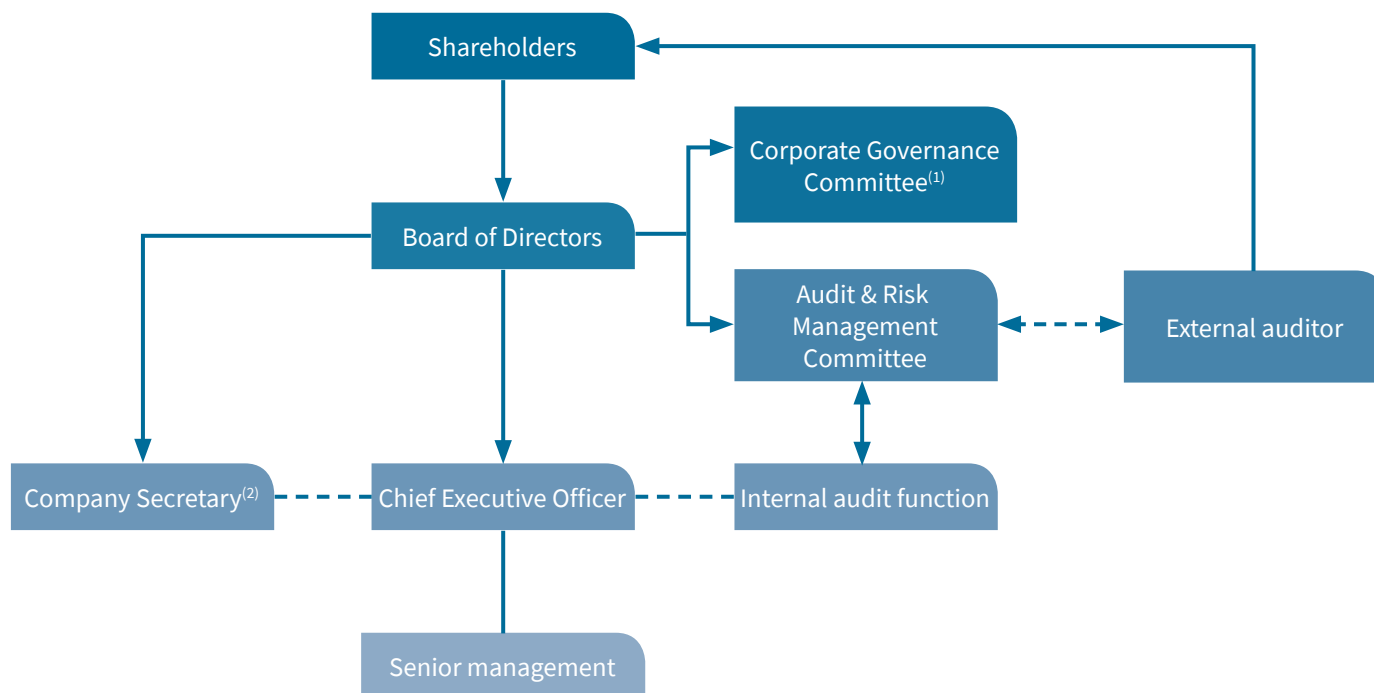
## 1. Governance structure

The Board of ENL Land is collectively accountable and responsible for the long-term success of the company, its reputation and governance. The Board also assumes the responsibility for leading and controlling the company and meeting all legal and regulatory requirements.

The group operates within a clearly defined governance framework which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control. As such, the Board is ultimately accountable and responsible for the performance and affairs of the group. While the Board has reserved certain matters for its approval, it has delegated some of its powers and responsibilities to two Committees, namely the Corporate Governance Committee ('CGC') and Audit and Risk Management Committee ('ARMC'). A reporting mechanism is in place to ensure that matters affecting the affairs and reputation of the group are escalated to the Board by the Chairpersons of these Committees and the Boards of subsidiaries.

## 1.1. Organisational and governance structure

The organisational and governance structure of ENL Land is illustrated as follows:



(1) As per its Terms of Reference, in its capacity, the Corporate Governance Committee also acts as Remuneration and Nomination Committee

(2) In accordance with the terms of ENL Land's management contract with ENL Limited, the latter provides corporate secretarial services to the company

## 1.2. Board Charter and Position Statements

The Board of Directors' Charter sets out the objectives, roles and responsibilities and composition of the Board of Directors of ENL Land Ltd.

The Board Charter as well as the Position Statements, which have been approved by the Board, provides for a clear definition of the roles and responsibilities of the Chairperson, executive and non-executive directors, the Board's Committees, CEO of ENL Land as well as the Company Secretary.

The Board Charter is available for consultation on ENL Group's website: [www.enl.mu/en/investors/information/policies](http://www.enl.mu/en/investors/information/policies)

### 1.3. 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.

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

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We believe in commercial success and growth but not at any cost. We wish to succeed while always upholding our values. The ENL Code of ethics, therefore, aims to reiterate our values and to outline the behaviours and conduct which all of us are expected to follow to uphold the group's objectives.

**ENL Group CEO**  
**Mr. Hector Espitalier-Noël**

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The ENL Code of ethics has been adopted by the Board of ENL Land and is regularly monitored by the latter. The said code is disseminated amongst all the employees and the respective governing bodies. New joiners are remitted a copy of the ENL Code of ethics and are required to adhere formally to its content upon their induction.

The ENL Code of ethics 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 aforesaid code. During the year ended 30 June 2018, the HR functions of ENL facilitated the renewal of adherence to the ENL Code of ethics.

ENL Code of ethics sets out an ‘ethics enabling mechanism’ that provides guidelines in determining how and whom to contact for reporting of ethical issues or breaches. An ethics hotline and email address have been set-up to that effect. The Ethics Officer of ENL acts as a point of contact to capture concerns or grievances on potential ethical breaches.

The ENL Code of ethics is available for consultation on ENL Group’s website: [www.enl.mu/en/investors/information/policies](http://www.enl.mu/en/investors/information/policies)

#### 1.4. Constitution of ENL Land Ltd

The material clauses of the ENL Land’s constitution are as follows:

- > Fully paid up shares are freely transferable;
- > The company may acquire and hold its own shares;
- > A special meeting of shareholders may be called by the Board and shall be so called on the written request of shareholders holding shares carrying together not less than five percent (5%) of the voting rights entitled to be exercised on the issue;

- > Proceedings of shareholders’ meetings are governed by the fifth schedule of the Companies Act 2001;
- > A director is not required to hold shares in the company;
- > A quorum for a meeting of the Board is half of the Directors currently in office.

The constitution of ENL Land is available for consultation on ENL Group’s website: [www.enl.mu/en/investors/information/policies](http://www.enl.mu/en/investors/information/policies)

## 2. The Board

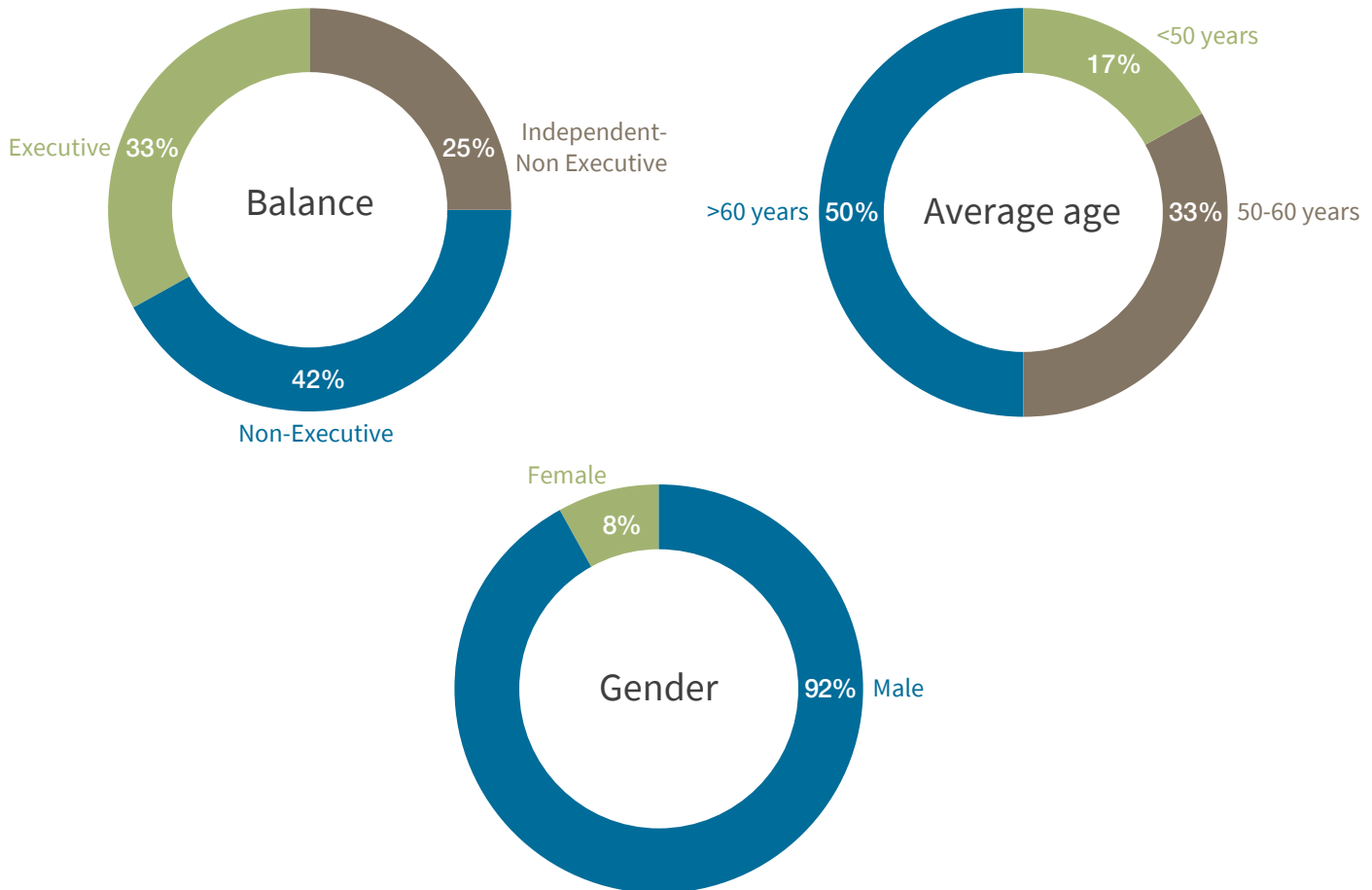
### 2.1. Board Profile

The names and profiles of ENL Land’s Directors are disclosed on pages 64 to 68 of the Annual Report. All the Directors of ENL Land ordinarily reside in Mauritius.

### 2.2. Board Composition

- > The Board of Directors is the company’s supreme governing body and has full power over the affairs of the company.
- > As per the Board Charter, the Board has a unitary structure comprising of executive, non-executive and independent Directors.
- > In accordance with ENL Land’s constitution, the Board consists of a minimum of 6 and a maximum of 12 members.
- > The members of the Board are elected at the meeting of shareholders.
- > The Board uses its best efforts to ensure that:
  - o its members can act critically and independently of one another;

- o each Board member can assess the broad outline of the company's overall policy;
  - o each Board member has sufficient expertise to perform his role as a Board member;
  - o the Board matches the Board profile and comprises Directors from both genders with at least one male and one female Director;
  - o at least one Board member is a financial expert, meaning he has expertise in financial administration and accounting for companies similar to the company in size and sophistication; and
  - o no less than 2 of the Board members are independent.
- > As at 30 June 2018, the Board comprised of 12 members. Board members have a diverse mix of skills and experience and are distinguished by their professional ability, integrity and independence of opinion.
- > The Board composition for the year under review is as follows:



## 2.3. Board Committees



## THE BOARD OF DIRECTORS

### Corporate Governance Committee ('CGC')

### Audit and Risk Management Committee ('ARMC')

#### Main Duties as per Terms of Reference

##### *In its capacity as Corporate Governance Committee:*

- > determine the company's general policy on corporate governance.
- > advise the Board on all aspects of corporate governance.
- > ensure that the company and the group comply with all regulations pertaining to corporate governance.
- > prepare the corporate governance report to be published in the company's annual report.
- > review the results of the Board performance evaluation process.

##### *In its capacity as Remuneration Committee:*

- > determine a general policy on executive and Senior Management remuneration.
- > determine the level of Non-Executive and Independent Non-Executive Directors' fees, including remuneration for specific assignments and recommend same to the Board.
- > determine remuneration packages for Executive Directors of the company and recommend same to the Board.

##### *In its capacity as Nomination Committee:*

- > make recommendations to the Board on the appointment of new Executive, Non-Executive Directors and Senior Managers.
- > make recommendations on the composition of the Board(s) in general and the balance between Executive and Non-Executive Directors appointed to the Board.
- > ensure that the right balance of skills, expertise and independence is maintained.
- > ascertain whether potential new Directors are fit and proper and are not disqualified from being directors prior to proposed appointment.
- > ensure that new Directors are appropriately guided in their duties and responsibilities.
- > review the independence of the independent members of the Board(s).

**Financial Statements:** To review the quality and integrity of the financial statements of the group and company including its annual and half-yearly reports, interim reports and any formal announcement relating to the company's financial performance.

**Internal Controls and Risk Management systems:** To keep under review the adequacy and effectiveness of the group's systems of internal control, including financial controls and business risk management systems.

**Compliance, whistleblowing and fraud:** To review the adequacy and security of the company's arrangements for its employees and contractors to raise concerns, about possible wrongdoing in financial reporting or other matters.

**Internal Audit:** To review and assess the annual internal audit work plan; To monitor and review the effectiveness of the internal audit function, in the context of the group's overall risk management system;

**External Audit:** To consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the company's external auditor;

**Business conduct and compliance with laws and regulations:** To monitor the implementation of the company's code of ethics and identify any violations of ethical conduct;

**Reporting responsibilities:** To report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

## THE BOARD OF DIRECTORS

### Corporate Governance Committee ('CGC')

### Audit and Risk Management Committee ('ARMC')

#### Main deliberations during the year

- > Reviewed and approved the Corporate Governance Report for the year ended 30 June 2017;
- > Recommended the re-appointment of Mr Gérard Espitalier-Noël in compliance with Section 138 (6) of the Companies Act 2001;
- > Recommended the re-election of Mr Jean Pierre Montocchio in compliance with Section 24.4 of the Constitution;
- > Reviewed and approved the remuneration/bonus schemes of the personnel of ENL Agri and ENL Property.
- > Reviewed and recommended to the Board of Directors the implementation of the principles of the new Code of Corporate Governance for ENL Land, which included amongst others the adoption of a Board Charter, an Equal Opportunity Policy and a stakeholder map, the establishment of the Senior Governance Positions, the review of the ARMC composition and independence of Directors;
- > Reviewed and approved the Board Evaluation exercise for year 2018.

- > Reviewed and recommended to the Board the approval of:
  - o The audited financial statements for the year ended 30 June 2017;
  - o The publication of the audited abridged financial statements for the year ended 30 June 2017;
  - o The publication of the unaudited quarterly consolidated results of the company.
  - o The risk management disclosures of the Annual Report 30 June 2017;
  - o A new Terms of Reference for the ARMC;
  - o An ENL Gift Guidelines policy.
- > In respect of BDO & Co, the external auditors:
  - o Recommended the re-appointment of BDO & Co. as auditors for the year ending 30 June 2018;
  - o Reviewed the management letter issued by BDO & Co. for the year ended 30 June 2017;
  - o Reviewed and approved the External Audit plan for the year ended 30 June 2018;
- > In respect of the Internal Audit function:
  - o In collaboration with the Internal Audit function, refined the processes for the conduct of Internal Audit assignments;
  - o Examined reports issued by the Internal Audit function following assignments conducted in accordance with the internal audit plan and proposed corrective action plans relating to subsidiaries;
  - o Monitored the implementation of action plans by subsidiaries.
  - o Reviewed and approved the Internal Audit plan for the year ended 30 June 2019.
- > In respect of the Governance, Risk and Compliance (GRC) function:
  - o Examined reports issued by the GRC function following assignments conducted in accordance with the GRC plan
  - o Reviewed and approved the GRC plan for the year ended 30 June 2019.
  - o Reviewed the progress report of the implementation of the ICT governance framework of ENL Land Group for the year 2017/2018;
- > Reviewed the reporting processes of the Internal Audit and GRC functions to the ARMC for efficiency purposes;
- > Reviewed the effectiveness of the internal control and risk management systems;
- > Considered the on-going legal cases for the ENL Land Group;
- > Reviewed the request for proposal for external audit services in view of the eventual change of external auditor of ENL Land Group.

The Charters of the CGC and ARMC of ENL Land are available for consultation on ENL Group's website: [www.enl.mu/en/investors/information/policies](http://www.enl.mu/en/investors/information/policies)



## 2.4. Attendance at Board & Committee Meetings

The attendance of the Directors at the Board and Committee meetings of the company was as follows:

		Board	Audit & Risk Management Committee	Corporate Governance Committee
<b>No. of Meetings held</b>		4	5	3
Category	Directors	Attendance		
Executive	Virginie Corneillet	4/4	N/A	3/3
	Hector Espitalier-Noël	4/4	N/A	3/3
	Jean Raymond Hardy	4/4	N/A	N/A
	Johan Pilot	4/4	N/A	N/A
Non-Executive	Eric Espitalier-Noël	4/4	5/5	N/A
	Gérard Espitalier Noël	3/4	N/A	N/A
	Gilbert Espitalier-Noël	2/4	N/A	N/A
	Roger Espitalier Noël	4/4	3/5	3/3
	Jean-Pierre Montocchio	3/4	N/A	2/3
Independent Non-Executive	Jean Noel Humbert	4/4	N/A	3/3
	Mushtaq Oosman	4/4	5/5	N/A
	Simon-Pierre Rey	4/4	5/5	N/A

## 2.5. Board Deliberations

- > During the year under review, the deliberations by the Board of Directors included the following:
  - o Approval of Annual Report for the year ended 30 June 2017;
  - o Preparation of the Annual Meeting of the company held in December 2017;
  - o Approval of financial results:
    - Abridged audited financial statements for the year ended 30 June 2017 for publication purposes;
    - The unaudited quarterly consolidated results of the company for publication purposes.
  - o Declaration and payment of interim and final dividends for the year ended 30 June 2018;

- o Receiving the reports and recommendations of the Audit and Risk Management Committee ('ARMC') and Corporate Governance Committee ('CGC');
- o Review of the group's operations as reported by the CEOs of ENL Agri and ENL Property;
- o Reviewing the performance of the group against budget and assessing the group structure regularly;
- o Approval of banking facilities with financial institutions;
- o The implementation of the principles of the new Code of Corporate Governance for ENL Land, which included amongst others the adoption of a Board Charter, an Equal Opportunity Policy and a stakeholder map, the establishment of the Senior Governance Positions, the review of the composition of the ARMC and independence of Directors;
- o Review the request for proposal for external audit services in view of the eventual change of external auditor of ENL Land Group;
- o Approval of the new Terms of Reference of the ARMC of ENL Land.

## 2.6. Directors Appointment Procedures

### 2.6.1. Appointment and re-election

- > The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director in so far that the total number of Directors will not at any time exceed the number fixed in accordance with the company's Constitution. The Director so appointed by the Board will hold office only until the next following Annual Meeting and will then be eligible for re-appointment.
- > The appointment process is delegated to the Corporate Governance Committee (in its capacity as Nomination Committee) which recommends to the Board the Directors to be appointed and/or re-elected.
- > Once the candidate has been approved by the Board, the candidate is required to sign a letter of appointment, which states that the candidate shall owe a duty to the

Board and to the company as Director, that he will act in good faith and that he is willing to allocate sufficient time to the company.

- > A nomination or recommendation to the meeting of shareholders for a candidate for the Board includes a brief of biographical details (namely age, profession, academic qualifications and any other information relevant to assess the suitability as a member of the Board) of the proposed director.
- > In accordance with the company's constitution, at each Annual Meeting of the company, one Director, who has been longest in office since his appointment or last re-appointment, retires by rotation and is eligible for re-appointment.
- > Re-election of Directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.
- > Upon recommendation of the Corporate Governance Committee, the following will be proposed to the shareholders for approval at the forthcoming Annual Meeting of ENL Land scheduled on 28 November 2018:
  - o The re-election of Mr Marie Patrick Roger Espitalier Noël as Director of the company in accordance with Section 24.4 of the company's constitution.
  - o The re-election of Mr Joseph Edouard Gérard Espitalier Noël as Director of the company in compliance with Section 138 (6) of the Companies Act 2001.
- > The Chairman confirms that, following a formal performance evaluation, Messrs. Marie Patrick Roger Espitalier Noël and Joseph Edouard Gérard Espitalier Noël continue to be performing and remain committed to their role as a Directors of the company.

### 2.6.2. Board Induction

- > On their first appointment, Non-Executive Directors benefit from an induction programme aimed at deepening their understanding of the company and its subsidiaries and the business and the environment and markets in which the Group operates.

- > As part of the induction programme, all newly appointed Directors receive a folder of essential board and company information relevant to his/her role, legal duties and responsibilities.
- > During the year under review, no new Directors have been appointed on the Board of ENL Land.

### **2.6.3. Professional Development and Training**

- > The Directors are aware of their legal duties.
- > The Board encourages its members to keep themselves abreast of changes and trends in the business and in the company's environment and markets and of changes and trends in the economic, political, social and legal climate generally.
- > The Board regularly assesses:
  - o the development needs of its Directors and facilitates attendance to appropriate training to continuously update the skills and knowledge of the directors so that they fulfil their role on the Board and its Committees;
  - o the development needs of the Board as a whole to promote its effectiveness as a team.
- > During the year under review, the Directors have been invited to seminars/workshops organised by the ENL Group, on namely, the New Code of Corporate Governance, Awareness session on Competition Act and Fraud and Corruption Awareness.

### **2.6.4. Succession Planning**

- > The Corporate Governance Committee recommends plans for succession of Directors and Senior Management.
- > The Board regularly reviews its composition, structure and succession plans.

## **2.7. Directors' duties, remuneration and performance**

### **2.7.1. Directors' interests, dealings in securities and related party transactions**

- > The Board abides to the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Listing Rules issued by the Stock Exchange of Mauritius Limited and the Companies Act 2001.
- > The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the above code.
- > ENL Land's Board Charter also contains policies on conflicts of interests and related Party Transactions.
- > Directors, after becoming aware of the fact that they are interested in a transaction or proposed transaction with the company, disclose same to the Board and cause same to be entered in the Interests Register.
- > The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation to shareholders upon written request to the Company Secretary.
- > All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in ENL Land.
- > The following tables show the interests of the Directors in the shares of the company as at 30 June 2018 as well as trading made by the Directors in the shares of ENL Land during the year:

Interests in ENL Land Ltd as at 30 June 2018	ORDINARY SHARES				PREFERENCE SHARES			
	DIRECT		INDIRECT		DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Virginie Corneillet	1,500	0.001	-	-	-	-	-	-
Eric Espitalier-Noël	105,700	0.036	18,333,641	6.197	-	-	-	-
Gérard Espitalier Noël	162,014	0.055	1,724,788	0.583	-	-	-	-
Gilbert Espitalier-Noël	-	-	18,159,091	6.138	-	-	-	-
Hector Espitalier-Noël	37,029	0.013	19,585,074	6.620	-	-	2,088	0.062
Roger Espitalier Noël	2,316	0.001	2,766,170	0.935	-	-	-	-
Jean Raymond Hardy	11,610	0.004	50,294	0.017	-	-	-	-
Jean Noel Humbert	-	-	-	-	-	-	-	-
Jean-Pierre Montocchio	-	-	532,525	0.180	-	-	1,513	0.045
Mushtaq Oosman	-	-	-	-	-	-	-	-
Johan Pilot	14,700	0.005	-	-	-	-	-	-
Simon-Pierre Rey	-	-	-	-	-	-	-	-

Transactions During the year	No of Ordinary Shares	
	Acquired	Disposed
Johan Pilot	1,000	-

- > Note 38 of the financial statements for the year ended 30 June 2018, set out on page 192 of the Annual Report 2018 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.
- > Shareholders are apprised of related party transactions through the issue of circulars and press releases by the company in compliance with the Listing Rules of the Stock Exchange of Mauritius Limited.

### 2.7.2. Information, Information Technology and Information Security Governance

Data and Information are at the center of ENL's business strategy and with the rapid advancements in technology, the group and its subsidiaries are increasingly relying on their IT systems to deliver customer satisfaction and gain market shares. Data is considered as an invaluable asset and safeguarding its integrity, ensuring its accessibility and guaranteeing its confidentiality are key priorities addressed by the group's IT strategy.

The creation and management of information systems within the group are guided by ENL's ICT Governance Framework. Introduced in 2015, this multi-faceted structure aims to,

- > ensure alignment of IT Strategy with Business Strategy,
- > introduce an Information Security Policy that provides a set of guiding principles and processes to strengthen internal controls and to provide the necessary assurance for the effective management of the group's data assets, and
- > ensure that IT systems at operational level are efficient and reliable, positively contributing to the value creation process.

The ICT Governance Framework lays great emphasis on Information Security and no less than 6 sets of policies and procedures have been introduced to ensure that the group's Information Asset is available as and when needed to those authorized to access it. The Framework ensures that the necessary safeguards are in place to ensure that data is not compromised. The relevant policies and procedures are:

- > Backup & restore
- > Malicious software protection
- > Logical access
- > Physical access and environment
- > Internet & intranet security
- > Bring Your Own Device (BYOD)

The above list would not be complete without a dedicated policy on End User Security and Awareness. Uninformed users

may be a real threat to the organisation's IT Security and can be a channel for attacks to ENL's IT environment. The End User IT security Policy gives users the necessary guidelines, complete with a list of Do's and Don'ts pertaining to the usage of IT facilities that are made available to them. It also raises awareness among them with regards to existing security threats within the company.

The ICT Governance Framework also includes a set of policies and procedures that support an efficient management of IT and associated risks. These include,

- > a Procurement and Vendor Policy which,
  - o promotes a standardised approach to procurement of IT hardware and software within the group,
  - o supports procurement decision based on requirement fit and value for money, and
  - o ensures that products and services purchased are secured by appropriate Service Level Agreements and Warranties.
- > a Change Management Policy which
  - o ensures that requests for changes in information systems are supported by valid business and/or technical requirements,
  - o evaluates the cost-effectiveness of the requested change(s), and
  - o implements changes with low or zero disruptions to Production IT Systems.
- > an IT Incident and Problem Management Policy that manages incidents and identifies the root causes thereof where applicable in order to deal with them effectively and on time while proactively preventing re-occurrence. The objectives of this policy are to:
  - o intervene on incidents as quickly as possible, thus lowering the disruption of users to a minimum, and to
  - o ensure that all incidents are documented and followed on accordingly.

Given ICT's high importance and criticality, ENL's ICT Governance Framework also provides for Business Continuity Policy and Procedures. This policy ensures business continuity in case of disruptions in IT systems and guides subsidiaries into building their Business Continuity solutions based on their operations and risks associated to their IT system.

### ***Board Monitoring & Reporting***

The effectiveness of the ICT Governance Framework is monitored by the Audit and Risk Management Committee which examines progress reports pertaining to the implementation of the Framework within the group twice yearly. Feedback and comments from Committee members are noted and translated into actions.

The ICT Governance framework is available for consultation on the ENL Group's website: [www.enl.mu](http://www.enl.mu).

### **2.7.3. Access to information**

- > The Chairman, the Company Secretary and the CEO ensure that the Management provides the Board and its committees, in a timely manner, with the information they need to properly function.
- > Directors of the company are entitled to have access, at all reasonable times, to all relevant company information and to the Management, if useful, to perform their duties.
- > 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.
- > A Directors' and Officers' Liability Insurance policy has been subscribed to by the holding company of ENL Land. The said policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the company. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

### **2.7.4. Remuneration**

- > Pursuant to the constitution, unless otherwise determined by the shareholders, the company pays to the Directors such amount of aggregate fees as the Board decides.
- > The underlying philosophy 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 and Committees.
- > Non-Executive Directors are paid a basic fee and attendance fees. They are paid an extra fee as members of Board Committees and as chair of Board Committees.
- > The Chairperson of the Board is paid a special level of fees appropriate to his office.
- > The Board ensures that, forthwith after authorising any such payment, particulars of such payment are entered in the Interests Register.
- > Any Director who is in full time employment of ENL Land does not receive any additional remuneration for sitting on the Board of Directors.
- > Any remuneration perceived by an employee of ENL Land Group in respect of his sitting on the Board of Directors of any company is deducted from his yearly remuneration.
- > None of the Non-Executive Directors are entitled to remuneration in the form of share options or bonuses associated with the company's performance.

- > The table hereunder lays out the present fee structure, as decided by the Board, following recommendations of the Corporate Governance Committee, for the chairpersons and members of the Board and of its Committees:

Category of Member	Yearly Fixed Fee	Yearly Attendance Fee
Company Chairman	Rs 90,000	Rs 20,000 per meeting ( <i>Maximum Rs 100,000 per year</i> )
Board member	Rs 45,000	Rs 10,000 per meeting ( <i>Maximum Rs 50,000 per year</i> )
Committee Chairman	Rs 60,000	Rs 15,000 per meeting ( <i>Maximum Rs 60,000 per year</i> )
Committee member	Rs 30,000	Rs 7,500 per meeting ( <i>Maximum Rs 30,000 per year</i> )

- > 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)
Virginie Corneillet	137,500	-	-
Eric Espitalier-Noël	145,000	935,250	479,000
Gérard Espitalier Noël	75,000	-	-
Gilbert Espitalier-Noël	65,000	405,000	-
Hector Espitalier-Noël	137,500	741,502	856,000
Roger Espitalier Noël	182,500	75,000	-
Jean Raymond Hardy	85,000	9,098,050	22,250
Jean Noel Humbert	275,000	-	-
Jean-Pierre Montocchio	120,000	-	-
Mushtaq Oosman	205,000	-	-
Johan Pilot	85,000	8,110,685	-
Simon-Pierre Rey	145,000	-	-

### 2.7.5. Board appraisal

- > Every two years the Board critically evaluates the performance of the Board and of the Committees, and their respective processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role.
- > The performance of each Director is individually evaluated by a process involving self-evaluation, peer review as well as a discussion with the Chairman.
- > During the year under review, a Board appraisal was carried out and aimed at focussing on specific areas of improvement, namely:
  - o Conduct of Board meetings;
  - o Risk Management;
  - o Board Committees;
  - o The leadership of the Board: The Chairman; and
  - o Self-evaluation.
- > Interviews were conducted with the Directors by the Chairman and/or the Company Secretary.
- > Effort was laid on the collection of qualitative data from the Directors.
- > The findings of the aforesaid Board appraisal have been considered by the Corporate Governance Committee and by the Board.

## 3. Risk governance

The activities of the risk management processes of ENL Land are explained on pages 49 to 61 of the Annual Report.

## 4. Internal control

The Board is responsible for the system of internal control and risk management of ENL Land and its subsidiaries. The Board is committed to continuously maintain adequate control procedures with a view to safeguard the assets and reputation of ENL Land. 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) The management of performance of each subsidiary, (ii) the processes and framework for risk management and (iii) the internal audit function in accordance with their risk-based internal audit plan.

The Audit and Risk Committee monitors the effectiveness of our risk management and internal control systems, and reports back to the Board. This includes:

- > a clear system of delegated authorities from the Board to management with certain important matters remaining with the Board;
- > regular review of results against budgets with Executive Directors and management, including important areas of business risk;
- > review of the strategic plans of each subsidiary and of ENL Land as a whole to identify risks to the achievement of objectives and, where appropriate, any relevant mitigating actions;
- > risk management expectations which are embedded throughout ENL Land;



- > reviews by the internal audit function of critical business processes and controls and specific reviews in areas of perceived high business risk;
- > regular reporting, monitoring and review of the effectiveness of health, safety, environment and sustainability processes;
- > legal and regulatory compliance risks which are addressed through specific policies and training including ethics and data protection laws;
- > promotion of a culture of compliance to help manage legal and reputational risks across ENL Land. A helpline encourages staff to raise concerns, in confidence, about possible breaches of the Code of Conduct.

In the design of the internal control system, entities are encouraged to have the right level of internal controls whereby the costs and time involved in operating these controls is balanced against the nature and significance of the risks they mitigate.

The Board also recognises that any system of internal control is designed to understand and manage rather than eliminate the risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

## 5. Internal Audit

### 5.1. Internal Audit

The company's Internal Audit function, which operates under a co-sourcing agreement with PricewaterhouseCoopers Ltd (PwC), reports directly to the Audit and Risk Committee, which reviews and approves the internal audit plan for each year.

One of the responsibilities of the Internal Audit function is to confirm to the Audit and Risk Committee the effective operation of ENL Land Group's internal control system. For this purpose, the Head of Internal Audit makes quarterly presentations to the Audit and Risk Committee and meets regularly with the Chairman of the Audit and Risk Committee without the presence of management.

The Internal Audit function focuses its work on the areas of greatest risk to the ENL Land Group, as determined by a risk-based approach to audit planning and close collaboration with the group's risk management function. As part of the group's commitment to maintaining and strengthening best practice in corporate governance matters, the group also consistently seek to enhance its internal control environment and risk management capability.

The Internal Audit function prepares audit reports and recommendations following each audit and appropriate measures are then taken to ensure that all recommendations are implemented. Status reports on management's implementation of internal audit recommendations are provided to the Audit and Risk Committee on a quarterly basis. Significant issues, if any, are however raised at once.

Areas covered by the Internal Audit function in the financial year were:

Entity	Area of review
ENL Agri	Key controls at the Nursery
ENL Agri	Payroll at the Cane business unit
Agrex	Key controls at Agrex
ESP Landscapers	Procurement of machinery for maintenance projects
Cogir	Tendering, performance review and payment of subcontractors
ENL Property	Fair value process of land and investment properties

### 5.2. Internal auditor effectiveness and independence

The Audit and Risk Committee reviews the effectiveness of the internal audit function on an ongoing basis. This is achieved, in part, by reviewing and discussing the reports presented to it at each meeting and setting out the function's work and findings.

The Audit and Risk Committee assesses the independence of the internal audit function and is satisfied of its independence.

There have been no restrictions placed over the right of access by internal audit to the records, management or employees of ENL Land.

All members of the internal audit team are qualified accountants and are, or in the process of becoming, Certified Internal Auditors.

## 6. Shareholders and other key stakeholders

### 6.1. Holding Structure

- > ENL Land is part of the ENL group and the holding structure through which control of the company is exercised is shown below.
- > ENL Land's ultimate holding company is L'Accord Limited, a limited-liability public company incorporated in Mauritius.
- > The ultimate control of the company remains with Société Caredas, a société civile.
- > The holding structure of ENL Land as at 30 June 2018 was as follows:

#### **Société Caredas**

▼ 59.6%

#### **L'Accord Limited**

▼ 77.9%

#### **La Sablonnière Limited**

▼ 71.8%

#### **ENL Limited**

▼ 69.1%\*

#### **ENL Land Ltd**

*\*Effective holding*

*(The % disclosed relates to voting rights)*

### 6.2. Shareholding profile

- > ENL Land's ordinary and preference shares are listed on the Official List of the Stock Exchange of Mauritius Limited ("SEM") and accordingly, the company is governed by the Listing Rules of the SEM.
- > As at 30 June 2018, the share capital of ENL Land is composed of 295,847,036 Ordinary and 3,362,261 Non-Voting Redeemable Preference shares. The latter are redeemable at the option of the company.
- > As at 30 June 2018, the shareholders holding more than 5% of the Ordinary shares of the company and qualifying as substantial shareholders were as follows:

	%
ENL Limited	52.92
ENL Finance Limited	16.19

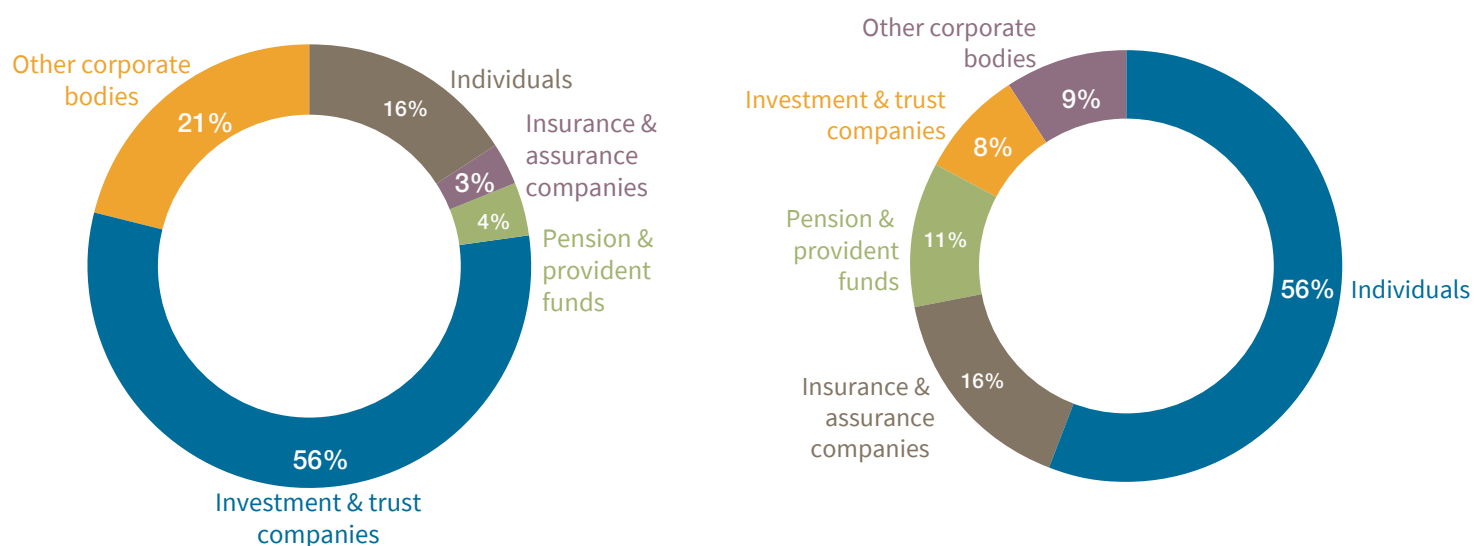
## Distribution of shareholders at 30 June 2018

Range of shareholding	Ordinary shares			Non-voting redeemable preference shares		
	Shareholder count*	Number of shares held	% of shares held	Shareholder count*	Number of shares held	% of shares held
1 - 500	856	158,646	0.05	166	27,247	0.81
501 - 1,000	291	218,509	0.07	63	46,191	1.37
1,001 - 5,000	688	1,778,448	0.60	119	292,512	8.70
5,001 - 10,000	318	2,349,391	0.79	39	280,811	8.35
10,001 - 50,000	543	12,143,608	4.10	54	1,034,165	30.76
50,001 - 100,000	129	9,085,168	3.07	11	768,210	22.85
100,001 - 250,000	92	14,564,554	4.92	4	599,825	17.84
250,001 - 500,000	37	12,523,507	4.23	1	313,300	9.32
Over 500,000	39	243,025,205	82.15	-	-	-
<b>Total</b>	<b>2,993</b>	<b>295,847,036</b>	<b>100</b>	<b>457</b>	<b>3,362,261</b>	<b>100</b>

\*Note: 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 2018 was 3,052 and 463 respectively.

## Spread of shareholders

To the best knowledge of the Directors, the spread of shareholders at 30 June 2018 was as follows:



### 6.3. Contract between the company and its substantial shareholder

- > ENL Land has a management contract with ENL Limited (ENL) for the provision of management and corporate services by the latter.
- > The main terms and conditions of the management contract are summarised hereunder:
  - o The contract is for 5 years and is renewable automatically thereafter for successive terms of 5 years unless either party gives to the other at least 6 months' written notice of termination of the agreement, at any time before the expiry of any of the 5-year terms.
  - o Management fee is levied on operating cash flows and net assets, as follows:
    - 2.5% of operating cash flows up to Rs 1,000,000,000;
    - 3.5% of operating cash flows from Rs 1,000,000,001 to Rs 1,500,000,000;
    - 4.5% of operating cash flows above Rs 1,500,000,001; and
    - 0.2% of net assets.

### 6.4. Third Party management Agreements

- > ENL Property has entered into 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;
- > 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.

### 6.5. Engagement with shareholders

#### 6.5.1. 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 Listing 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-land](http://www.enl.mu/investors/enl-land)), which includes an investors' section, provides timely information to stakeholders. Interim, audited financial statements, press releases and so forth are readily accessible there from.
- > 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 Land 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.
- > The company's share price movement from 1 July 2017 to 1 July 2018 is available on our website: [www.enl.mu/investors/enl-land](http://www.enl.mu/investors/enl-land)

#### 6.5.2. Shareholders' calendar

September 2018	Publication of abridged audited financial statements for the year ended 30 June 2018
	Issue of Annual Report 2018
November 2018	Eventual declaration of interim dividend Publication of 1st Quarter results to 30 September 2018 Annual Meeting of Shareholders
December 2018	Payment of interim dividend
February 2019	Publication of half-year results to 31 December 2018
May 2019	Publication of 3rd Quarter results to 31 March 2019 Eventual declaration of final dividend
July 2019	Payment of final dividend

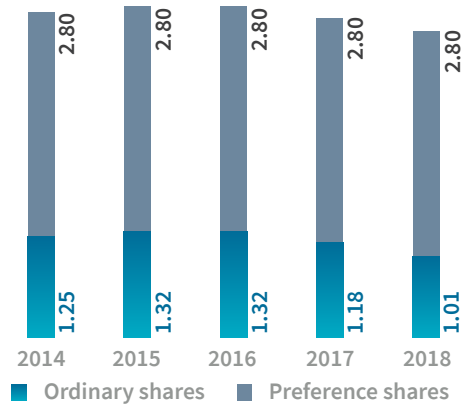
### 6.5.3. Shareholders' agreement affecting the governance of the company by the Board

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.

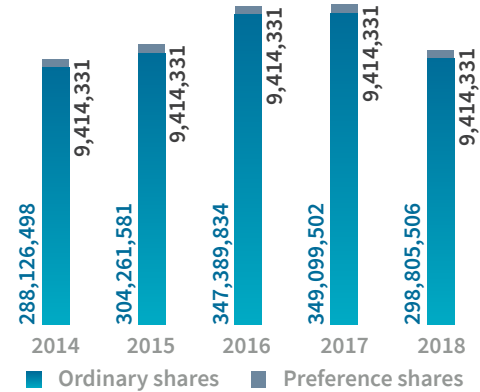
### 6.5.4. Dividend

The company has no formal dividend policy. Payment of dividends is subject to the profitability of the company, cash flow, working capital and capital-expenditure requirements.

#### Dividend per share (Rs)



#### Total dividend value (Rs)



## 7. Company secretary

- > ENL Limited provides corporate secretarial services to ENL Land in accordance with the terms of a corporate services agreement binding the two companies.
- > All Directors, particularly the Chairman, have access to the advice and services of the Company Secretary, delegated by ENL Limited, for the purposes of the Board's affairs and the business.
- > The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

## 8. External audit

The Financial Reporting Act 2004 provides that where an audit firm has audited the accounts of a listed company for a continuous period of 7 years or more and is, as at 7 September 2016, auditing the accounts of that company, it may continue to audit the accounts of that company subject to such conditions and for such time as may be prescribed. Further to a Government Notice No. 64 of 2017, a listed company may allow an audit firm, appointed by it, after the audit firm has served a continuous period of 7 years or more, to carry out its audit for a further period of 3 years.

BDO & Co., the current auditors of ENL Land, have served the company for more than 7 years. The Board of Directors of ENL Land has resolved to retain the services of BDO & Co. for an additional year and has thus recommended to the shareholders the re-appointment of BDO & Co. as auditors of ENL Land for the year ending 30 June 2019.

A tender exercise has also been launched in view of the change of the external auditor of ENL Land Group for the year ending 30 June 2020.



Preety Gopaul, ACIS  
For ENL Limited  
Company Secretary

27 September 2018

# 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 2018

### Activities

The activities of the ENL Land Group are disclosed on pages 24 to 39 of the Annual Report 2018.

### Directors

The Directors of the company are listed on pages 64 to 68 of the Annual Report 2018. A list of the Directors of the subsidiary companies is given on pages 200 to 205 of the Annual Report 2018.

### 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.

### 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 Land	From the company		From the subsidiaries	
	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
<b>Executive Directors</b>				
Full-time	<b>170</b>	190	<b>14,965</b>	13,316
Part-time	<b>275</b>	243	<b>742</b>	896
<b>Non-executive Directors</b>	<b>1,213</b>	1,385	<b>2,295</b>	1,404
<b>Post-employment benefits – Executive Directors</b>	-	-	<b>2,243</b>	1,749
	<b>1,658</b>	1,818	<b>20,245</b>	17,365

<b>Directors of subsidiary companies who are not Directors of the company</b>	<b>2018</b>	2017
	<b>Rs'000</b>	Rs'000
<b>Executive Directors (2018: 58; 2017: 53)</b>		
Full-time	<b>290,043</b>	240,285
Part-time	-	-
<b>Non-executive Directors (2018: 95; 2017: 87)</b>	<b>5,140</b>	2,410
<b>Post-employment benefits- Executive directors</b>	<b>3,082</b>	2,862
	<b>298,265</b>	245,557

### Directors' Interests in Shares

- (i) The interests of the Directors in the shares of ENL Land Ltd as at 30 June 2018 are found on page 81.
- (ii) As at 30 June 2018, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the company:

	<b>Ascencia Ltd (Class A shares)</b>		<b>Rogers and Company Limited</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Virginie Corneillet	-	-	1,900	0.0008
Gilbert Espitalier-Noël	-	-	18,320	0.0073
Gérard Espitalier Noël	3,400	0.0007	3,000	0.0012
Jean-Raymond Hardy	-	-	17,000	0.0067
Jean-Pierre Montocchio	-	-	52,590	0.0210
Johan Pilot	15,900	0.0033	3,000	0.0012

### Direct and indirect interests of Senior Officers (excluding Directors) in the equity or debt securities of ENL Land Ltd or any subsidiaries

- (i) As at 30 June 2018, none of the Senior Officers (excluding Directors), except for those detailed below, held any direct or indirect interests in the equity of the company:

	<b>Ordinary shares</b>				<b>Preference shares</b>			
	<b>Direct</b>		<b>Indirect</b>		<b>Direct</b>		<b>Indirect</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Philippe Espitalier-Noël	-	-	18,838,652	6.368	-	-	-	-



(ii) As at 30 June 2018, none of the senior officers (excluding Directors) held direct interest in the equity of the subsidiaries of the company.

## Contracts of significance

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

## Shareholders

At 27 August 2018, the following shareholders were directly or indirectly interested in more than 5% of the ordinary share capital of the company:

Name of shareholders	Interest (%)
ENL Limited	52.92
ENL Finance Limited	16.19

## Donations

Donations made during the year:

	Group		Company	
	2018	2017	2018	2017
<b>Political (Rs'000)</b>	<b>2,700</b>	3,200	<b>1,400</b>	1,600
<b>Corporate Social Responsibility (Rs'000)</b>				
Statutory	<b>8,107</b>	8,462	-	7
Voluntary	<b>10,093</b>	8,738	<b>3,712</b>	4,993
Number of institutions	<b>1,235</b>	498	<b>683</b>	130

## Auditors' remuneration

### Audit fees paid to:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
BDO & Co	<b>17,268</b>	15,458	<b>1,100</b>	1,050
Other firms	<b>7,800</b>	7,600	-	-

### Fees paid for the other services provided by:

BDO & Co	-	4,050	-	-
Other firms	<b>11,800</b>	7,000	-	-

## 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;
- > 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 (the "Code") has been adhered to and where any material deviation from any guidance contained within the Code has occurred, explanations 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 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. The Board, through the Audit and Risk Management Committee, affirms that it has monitored the key strategic, financial, operational, people, systems risks and control in line with the current business environment.

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.

## Statement of compliance to code

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

Name of Public Interest Entity ('PIE'): ENL Land Ltd

**Reporting Period:** 1 July 2017 to 30 June 2018


We, the Directors of ENL Land Ltd, confirm to the best of our knowledge that the PIE has not fully complied with the principles of the Code of Corporate Governance for the reasons stated below:

Principles	Areas of non-application of the Code	Explanation for non-application
Principle 2	The Audit and Risk Management Committee ("ARMC") is composed of two Non-Executive Directors and two Independent Non-Executive Directors.	The Board of Directors is aware that the Code recommends that the majority of the members of the ARMC should be independent. However, the Board of Directors has resolved to maintain the current composition of the ARMC in view of the professional qualifications, experience and knowledge of the members of the ARMC.



Jean Noel Humbert  
Chairman

27 September 2018



Hector Espitalier-Noël  
Director

## 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.



Preety Gopaul, ACIS  
For ENL Limited  
Company Secretary

27 September 2018