



# CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

IBL Ltd ('IBL' or the 'Company'), a public interest entity as defined by the Financial Reporting Act 2004, has applied the principles of the National Code of Corporate Governance (2016). This corporate governance report sets out how the Code's principles have been applied and reflected throughout IBL. Good governance is at the heart of IBL and is crucial to the Company's success and its ability to deliver on its strategy.

 This report, part of IBL's Integrated Report for 2020–2021 is also available on IBL's website: [www.iblgroup.com](http://www.iblgroup.com)

## GOVERNANCE STRUCTURE

### Governance Charter

IBL's governance structure is set out in its Governance Charter. The Charter defines the role, function and objectives of the Board of Directors, Board Committees, Chairman, Group CEO and senior executives. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision-making processes within the Group. In the same spirit, the IBL Share Dealing Policy has been approved and signed by all the Directors and Senior Officers of IBL.

In accordance with good governance practices, the Board ensures that regular Board meetings and management committee meetings are held throughout the Group. The composition of the Boards of the main subsidiaries of the Group is reviewed by IBL's Corporate Governance Committee (which also acts as Nomination and Remuneration Committee). The Board of IBL subsequently designates its representatives on the Boards of these subsidiaries.

 The Governance Charter and the IBL Share Dealing Policy are available on IBL's website: [www.iblgroup.com](http://www.iblgroup.com)

### Code of Business Ethics

A Code of Business Ethics, which also includes whistle blowing procedures, was last reviewed and approved by the Board on 3 June 2019. The Board has strongly encouraged and recommended the companies of the Group to make use of the spirit of this Code when adopting their own Code of Ethics.

 The Code is available on IBL's website at [www.iblgroup.com](http://www.iblgroup.com)

### Constitution

IBL's Constitution complies with the provisions of the Mauritian Companies Act 2001 and the Listing Rules of the SEM. There are no clauses of the Constitution deemed material enough requiring specific disclosure.

 A copy of the Constitution is available on the website at [www.iblgroup.com](http://www.iblgroup.com)

### Organisational chart and Accountability Statement

A governance structure and organisational chart for IBL reflecting the key senior positions and the reporting lines within the Group is set out in the section "Leadership" of the Integrated Report.

## THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

### The Board

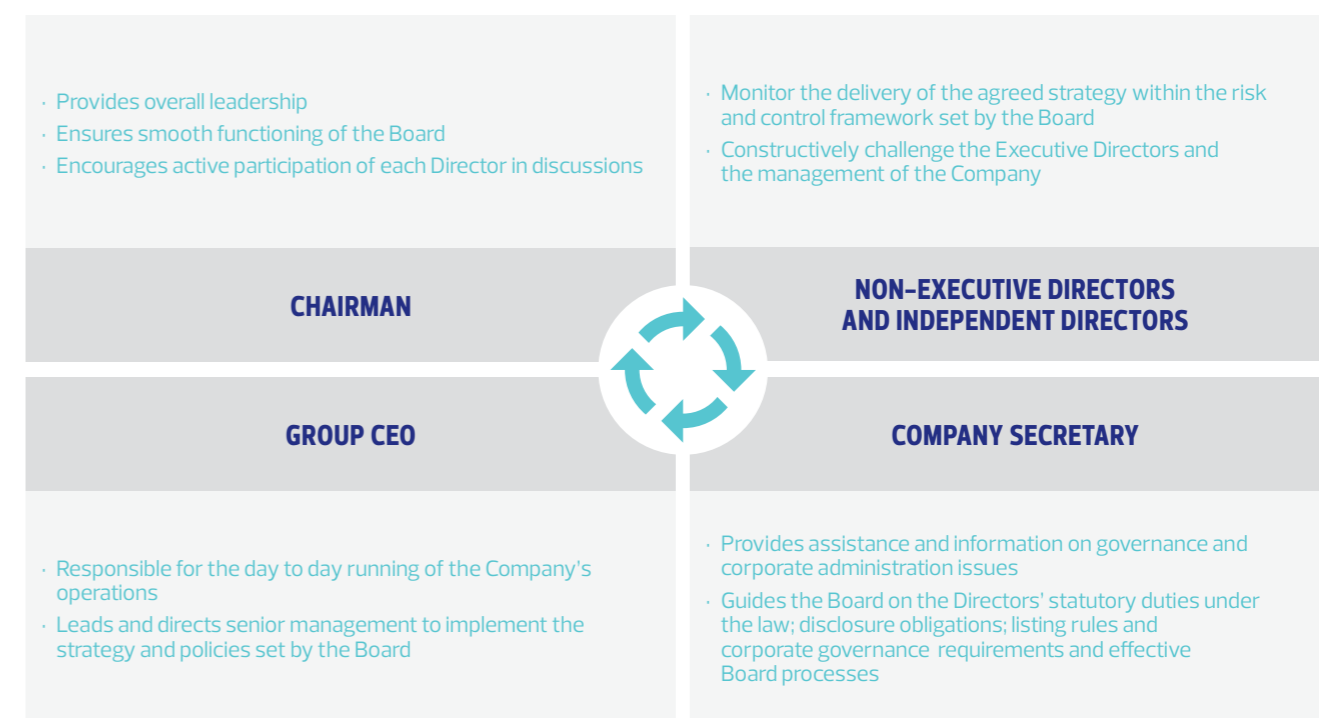
IBL is led by an effective and highly committed unitary Board comprising 14 Directors (including 2 female Directors) out of which, 4 are Independent Non-Executive, 8 are non-Executive and 2 are Executive Directors. The Board considers that given the size of the Company, its current scope of activities and geographical spread of operation, the current Directors have the adequate set of expertise. They are of appropriate calibre and have the appropriate mix of core competencies, knowledge and diversity to manage the Company in an efficient manner in order to achieve the objectives and implement the strategy.

The Board assumes responsibility for leading and controlling the Company and for ensuring that all legal and regulatory requirements are met. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks. It is collectively responsible for the long-term success of the Company.

### Profiles of directors and details of external appointments

Directors' profiles, including details of their appointments in listed companies, have been disclosed in the section "Leadership" of the Integrated Report.

### Board and Directors' roles and responsibilities



Notes:

(1) The 4 Independent Non-Executive Directors are considered independent based on the independence criteria set out in the National Code of Corporate Governance for Mauritius. The Independent Directors have not been employees of the Group within the past three years nor do they have a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company.

(2) A majority of the Directors do not have a relationship with the shareholders holding more than 5% of the Company's shares.

## CORPORATE GOVERNANCE REPORT

### Board meeting process

<b>BEGINNING OF THE YEAR</b>	<ul style="list-style-type: none"> <li>Planning for Board Meetings for the ensuing year is set by the Group Corporate Secretary.</li> </ul>
<b>SETTING OF AGENDA</b>	<ul style="list-style-type: none"> <li>Draft agendas for the Board are finalised by the CEO and the Chairman prior to each meeting.</li> <li>Agendas are finalised at least one week before the scheduled date of the meeting.</li> </ul>
<b>BEFORE THE MEETING</b>	<ul style="list-style-type: none"> <li>Agenda and all relevant Board papers are sent to the Directors one week before the scheduled meeting.</li> <li>Necessary arrangements (video conferencing, etc) are made for those Directors not able to be physically present.</li> </ul>
<b>BOARD MEETING</b>	<ul style="list-style-type: none"> <li>Regular matters such as the review of activities of the various clusters of IBL or reports from the Committee Chairpersons are discussed.</li> </ul>
<b>AFTER BOARD MEETING</b>	<ul style="list-style-type: none"> <li>Minutes are produced and sent to the Group CEO and Chairman for review and comments prior to circulating these to the Board.</li> <li>Follow-up on certain Board decisions (update of authorised signatories, etc.) are then ensured by the Company Secretary.</li> </ul>

### The Board in 2020–2021

During the year under review, the Board met 5 times. Below is a list of the main issues discussed at these meetings. Decisions were also taken by way of written resolutions signed by all the Directors.

<b>REGULAR AGENDA ITEMS</b>	<ul style="list-style-type: none"> <li>Review of operations of the different clusters</li> <li>Review of fair value of investments in major subsidiaries/associates</li> <li>Take note of the matters discussed in sub-committee meetings</li> </ul>
<b>FINANCIAL ITEMS</b>	<ul style="list-style-type: none"> <li>Abridged audited annual financial statements and full audited financial statements</li> <li>Abridged financial statements for the first, second and third quarters</li> <li>Dividend declarations</li> <li>Budget 2020–2021</li> <li>Assessment of the cash flow</li> </ul>
<b>STRATEGY</b>	<ul style="list-style-type: none"> <li>Review of the various investment projects</li> <li>Review of the strategy by McKinsey</li> </ul>
<b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>Approval of the nomination of directors on the various Boards of subsidiaries</li> <li>Approval of the appointment of an independent director</li> <li>Approval of the Corporate Governance Report and Statement of Compliance</li> <li>Consider and approve changes to the Board Charter</li> <li>Review and recommend changes to the composition of the board and membership of committees</li> </ul>
<b>OTHER MATTERS</b>	<ul style="list-style-type: none"> <li>Approval of communiqués/announcements as required by the relevant rules and regulations</li> <li>Approval of corporate guarantees given to major subsidiaries</li> <li>Review of several projects (e.g. investment in Africa, increase in share capital in an associate)</li> <li>Approval of the 3<sup>rd</sup> issue of Notes under the existing multi-currency note programme</li> </ul>

### Attendance in 2020–2021

	06/11/2020	03/12/2020	11/02/2021	03/05/2021	03/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Jan Boullé	✓	✓	✓	✓	✓	5
Jean-Claude Béga	✓	✓	✓	✓	✓	5
Martine de Fleuriot de la Colinière	✓	✓	✓	✓	✓	5
Isabelle de Melo	✓	✓	✓	✓	✓	5
Pierre Guénant	✓	✗	✓	✓	✗	3
Jason Harel <sup>(1)</sup>	✓	✗				1
Arnaud Lagesse	✓	✓	✓	✓	✓	5
Benoit Lagesse	✓	✓	✓	✓	✓	5
Hugues Lagesse	✓	✓	✓	✓	✓	5
Jean-Pierre Lagesse	✓	✗	✓	✓	✓	4
Thierry Lagesse	✓	✓	✓	✓	✓	5
Gilles Michel	✓	✓	✓	✓	✓	5
Maxime Rey	✓	✓	✓	✓	✓	5
Jean Ribet	✓	✓	✓	✓	✓	5
Richard Arlove <sup>(2)</sup>			✓	✓	✓	3
Stephane Lagesse (Alternate to Thierry Lagesse)	-	-	-	-	-	-

Notes:

(1) Resigned on 31/12/2020.

(2) Appointed on 01/01/2021 in replacement of Jason Harel who resigned on 31/12/2020.

## CORPORATE GOVERNANCE REPORT

### Board Committees

The Board is assisted in its functions by three main sub-Committees: (i) an Audit and Risk Committee, (ii) a Corporate Governance Committee, which also acts as a Nomination and Remuneration Committee, and (iii) a Strategic Committee. These committees operate within defined terms of reference and may not exceed the authority delegated to them by the Board. The sub-committees are chaired by experienced Chairmen who report to the Board on the issues discussed at each Committee meeting.

IBL Management Ltd, the Company Secretary also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of the Board Committee in question or not.

### Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities. It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the internal and external auditors.

 The Audit and Risk Committee Charter was last reviewed on 3 June 2019 and is available on the Company's website at [www.iblgroup.com](http://www.iblgroup.com)

### Composition

The Committee is chaired by Richard Arlove, an Independent Non-Executive Director (previously chaired by Jason Harel who resigned on 31 December 2020). The other members of the Committee are Isabelle de Melo, an Independent Non-Executive Director, Benoit Lagesse (appointed with effect 01 July 2021 in replacement of Maxime Rey who has resigned as member of the Committee) and Thierry Lagesse (both Non-Executive Directors). The Committee's meetings are also attended by the Group CEO, the Group CFO, the CFO – Group Operations, the Head of Internal Audit and the Head of Risk Management.

### Attendance in 2020–2021

	22/07/2020	02/09/2020	21/09/2020	06/10/2020	04/11/2020	26/11/2020	05/02/2021	22/04/2021	05/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Jason Harel <sup>(1)</sup>	✓	✓	✓	✓	✓	✓				6
Richard Arlove <sup>(2)</sup>							✓	✓	✓	3
Isabelle de Melo	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Thierry Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Maxime Rey	✓	✓	✓	✓	✓	✓	✓	✓	✓	9

Note:

(1) Jason Harel resigned on 31/12/2020.

(2) Richard Arlove was appointed on 01/01/2021 in replacement of Jason Harel.

### Matters considered in 2020–2021

During the year under review, the Audit and Risk Committee met 9 times and the main issues discussed included:

<b>REGULAR FINANCIAL MATTERS</b>	<ul style="list-style-type: none"> <li>· Abridged audited annual financial statements and full audited financial statements</li> <li>· Abridged financial statements for the first, second and third quarters</li> <li>· Dividend declarations</li> <li>· Budget 2020–2021</li> <li>· Group CFO's report</li> </ul>
<b>INTERNAL AUDIT MATTERS</b>	<ul style="list-style-type: none"> <li>· Considered the various reports of the Head of Internal Audit on the subsidiaries of the Group</li> </ul>
<b>RISK MANAGEMENT MATTERS</b>	<ul style="list-style-type: none"> <li>· Considered the risk management approach and report</li> <li>· Considered the quarterly risk report on IBL and its subsidiaries</li> <li>· Considered a risk assessment report on the Group's top 10 risks</li> <li>· Considered a risk management guideline</li> <li>· Considered the IT Governance of the Group and the setting up of an IT governance sub-committee</li> </ul>
<b>OTHER MATTERS</b>	<ul style="list-style-type: none"> <li>· Presentation by the external auditor on the key audit matters for the year 2020–2021</li> <li>· Presentation by the external auditor on a valuation of investments within the Group</li> <li>· Considered a summary from the Group CFO on main management points received from the external auditor</li> <li>· Considered a report on pension liabilities</li> </ul>

### Information, information technology and information security governance

In line with its digital transformation agenda, the Board of Directors of IBL has acknowledged the need for an Information Technology (IT) Governance Framework.

The purpose of establishing this framework is to ensure that:

- IT internal controls are adequate with independent assurance on the effectiveness of the IT internal controls are provided by the Internal services and External Auditors.
- IT strategy should be aligned to the business strategy and the Board may identify opportunities and solutions to be implemented, throughout the Group, as a global IT improvement strategy.
- Suitably qualified and experienced Chief Information Officers (CIO)/Head of Technology/IT Managers are duly appointed by the relevant CEO/COO/GM. Accordingly, an Information Technology Committee has been set up by the Board and meetings are scheduled on a two-monthly basis.
- IT goals and metrics are defined and communicated. The performance of IT processes and practices are monitored against the agreed objectives and reported regularly.
- The optimal investment is made in IT with costs managed as well as return on investment measured by the relevant boards or oversight committees at Business Units and Group Companies level. Where applicable synergies between IT initiatives are enabled and IT choices are in the best interest of the organisation, as a whole.
- IT risks are identified and adequately addressed in line with the Risk Management framework. IBL ensures that it has adequate business resilience arrangements in place for disaster recovery and that residual risk is minimised in case of incident.
- IT resources are sourced optimally and legitimately.
- Processes and procedures are in place to ensure that IBL's IT assets are managed, maintained, replaced and disposed effectively and in accordance to applicable IT policies.
- Infrastructure, systems and policies are in place for the management of information which includes information security and information privacy.

## CORPORATE GOVERNANCE REPORT

The framework is based on COBIT 2019 and consists of the following domains:

<b>INFRASTRUCTURE &amp; OPERATIONS</b>	<b>APPLICATIONS</b>	<b>DATA &amp; ANALYTICS</b>	<b>SECURITY &amp; RISKS</b>
<b>STRATEGY &amp; GOVERNANCE</b>	<b>PROJECT &amp; CHANGE MANAGEMENT</b>	<b>RESOURCES</b>	<b>FINANCE</b>

The responsibility for the implementation of the IT governance framework has been delegated to the management. In this context, an IT Governance Committee Charter was crafted and approved for the Group. The IT Committee comprising of the Group's senior executives, the Group CEO and chaired by an independent director of IBL has been set up. Heads of Business Units and other experts of business processes or technologies are invited as and when required.

### Information Technology Committee

The Information Technology Committee is a sub-committee of the Audit and Risk Committee. The purpose of this sub-committee, which operates within defined terms of reference, is to *inter alia*:

1. Monitor and evaluate significant IT investments and expenditure.
2. Ensure that information assets are effectively managed.

### Composition

The Committee is chaired by Isabelle de Melo, an Independent Non-Executive Director. The other members of the Committee comprising the Executives of IBL are Arnaud Lagesse, Jean-Claude Béga, Christine Marot, Diya Nababsing-Jetshan, Patrice Robert and Thierry Labat.

### Attendance in 2020-2021

	02/04/2021	15/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Isabelle de Melo	✓	✓	2
Arnaud Lagesse	✓	✓	2
Jean-Claude Béga	✓	✓	2
Christine Marot	✓	✓	2
Diya Nababsing-Jetshan	✓	✓	2
Patrice Robert	✓	✓	2
Thierry Labat	✓	✓	2

### Matters considered in 2020-2021

During the year under review, the Information Technology Committee met twice and matters discussed included:

- An IT assessment exercise
- Consideration of technology related critical risks and issues
- Review technological projects
- Review of IT policies and Group IT risks and issues

A one-size-fits-all approach could not be undertaken to implement the IT governance framework, given the heterogeneity of operations and their technology functions. Hence, an initial assessment of the maturity level of each Business Unit, including the Head Office, is being conducted by a third-party specialised in IT Governance and Risk Management. This independent assessment is being undertaken in each domain of the IBL IT Framework to identify any gaps to reach a minimum maturity standard. The Capability Maturity Model Integration (CMMI) model is used as a basis for scoring each domain. The model is a relatively simple representation of the sophistication/maturity of an organisation's processes, policies, people and technology. It describes several characteristics that may be exhibited by an organisation at each of the five maturity levels:

↑ PROCESS SOPHISTICATION / MATURITY	MATURITY LEVEL	OVERVIEW	EFFECT	
	OPTIMISING	Constantly improving process through effective feedback & automation	RISK	EFFECTIVENESS & EFFICIENCY
	MANAGED	Process effectively measured and reported on		
	DEFINED	Process defined and institutionalised. Policies, procedures and standards		
	REPEATABLE	Process dependant on individuals. Define tasks		
	INITIAL	Undefined tasks. Reliant on initiative. Chaotic/"firefighting" action		

The objective is for each Operational entity and the Head Office to reach at least the 'defined' level in most of the technology domains. The assessment exercise is well under way and should be completed by March 2022. Once the assessment is completed for each Operational entity, its management is responsible for establishing an action plan to implement the recommendations to address the gaps identified.

### Corporate Governance Committee

The Corporate Governance Committee advises the Board on matters pertaining to corporate governance and ensures that the principles of the National Code of Corporate Governance are applied. This Committee also acts as Nomination & Remuneration Committee.

 The Corporate Governance Committee's Charter was last reviewed and approved on 3 June 2019 and is available on IBL's website at [www.iblgroup.com](http://www.iblgroup.com)

### Composition

The Committee is chaired by Gilles Michel, an Independent Non-Executive Director. The other members of the Committee are Jan Boullé, Martine de Fleuriot (appointed on 3 July 2021 in replacement of Thierry Lagesse who resigned from the Committee) and Jean Ribet, who are Non-Executive Directors and Arnaud Lagesse, who is an Executive Director.

## CORPORATE GOVERNANCE REPORT

### Attendance in 2020–2021

	03/11/2020	18/05/2021	31/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Gilles Michel	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Arnaud Lagesse	✓	✓	✓	3
Thierry Lagesse	✓	✓	✓	3
Jean Ribet	✓	✓	✓	3

### Matters considered in 2020–2021

During the year under review, the Corporate Governance Committee met 3 times, and matters discussed included:

<b>NOMINATION</b>	<ul style="list-style-type: none"> <li>Recommendation to the Board on the nomination of Directors on the various Boards of subsidiaries</li> <li>Recommendation of the appointment of Richard Arlove as Independent Director to the Board</li> </ul>
<b>CORPORATE GOVERNANCE</b>	<ul style="list-style-type: none"> <li>Recommendation to the Board for approval of the Corporate Governance Report and Statement of Compliance</li> <li>Reviewed and recommended changes to the Board Charter</li> </ul>

### Remuneration Sub-Committee

The Corporate Governance Committee has assigned its remuneration functions to a sub-committee, hereinafter referred to as Remuneration Sub-committee. The sub-committee has also been entrusted with the Corporate Governance Committee's mandate to review the remuneration of staff members, managers and senior management.

#### Composition

While the Corporate Governance Committee is chaired by Gilles Michel, an Independent Non-Executive Director, the Remuneration Sub-Committee is chaired by Marc Freismuth, who is neither an Independent Non-Executive Director nor a Board member. The Board of IBL is of the view that Marc Freismuth possesses the relevant expertise and knowledge to effectively act as the Chairman of this Sub-committee.

The other members of the Sub-committee are Jean Ribet and Jan Boullé, both Non-Executive Directors and members of the Corporate Governance Committee.

### Attendance in 2020–2021

	10/07/2020	03/11/2020	25/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Marc Freismuth	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Jean Ribet	✓	✓	✓	3

### Matters considered in 2020–2021

During the year under review, the Remuneration Sub-Committee met 3 times, and matters discussed included:

- Reviewing the performance of the CEO and key senior executives
- Determination and calculation of the performance bonus for the year 2020–2021
- Reviewing talent, career development and salaries
- Reviewing the succession plan for the CEOs and key Senior Executives of the Group
- Reviewing and approving the list of Executives entitled to the Long-Term Incentive (LTI) scheme for 2020–2021
- Reviewing the results of the agreed upon procedures presented by the external auditor regarding the LTI
- Assessing the impact of COVID-19 on the operations of the Corporate Centre/reduction of salaries
- Reviewing the contribution to the pension scheme for employees reaching retirement
- Reviewing the organigram of the Corporate Centre

### Strategic Committee

The Strategic Committee was established for the purpose of advising the Board about the Company's strategy. This Committee also assists the Board in analysing, negotiating, reporting on and making recommendations on potential strategic transactions.

 A copy of this Charter is available on the website of IBL at [www.iblgroup.com](http://www.iblgroup.com).

### Composition

The Committee is chaired by Pierre Guénant, an Independent Non-Executive Director. The other members of the Committee are Gilles Michel, an Independent Non-Executive Director; Jan Boullé, Thierry Lagesse and Jean Ribet, all Non-Executive Directors; and Arnaud Lagesse, Executive Director.

### Attendance in 2020–2021

MEMBERS	08/07/2020	27/07/2020	16/09/2020	08/10/2020	12/11/2020	01/12/2020	10/02/2021	11/02/2021	10/03/2021	14/04/2021	21/04/2021	21/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Pierre Guénant	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Jan Boullé	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Thierry Lagesse <sup>(1)</sup>	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Gilles Michel	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	10
Jean Ribet	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10

Note:

<sup>(1)</sup> Being conflicted, Thierry Lagesse did not attend the meeting of 16 September 2020.

## CORPORATE GOVERNANCE REPORT

### Matters considered by the Committee in 2020–2021

During the year under review, the Strategic Committee met 11 times and the matters which were discussed included:

<b>PROJECTS</b>	<ul style="list-style-type: none"> <li>· Considered various proposals/projects which are not yet finalised</li> <li>· Reviewed a warehousing facilities project</li> <li>· Received regular updates on projects/proposals presented by management</li> </ul>
<b>OTHER MATTERS</b>	<ul style="list-style-type: none"> <li>· Reviewed IBL's Strategic Plan proposed by McKinsey</li> <li>· Reviewed various projects in line with the Company's strategy</li> </ul>

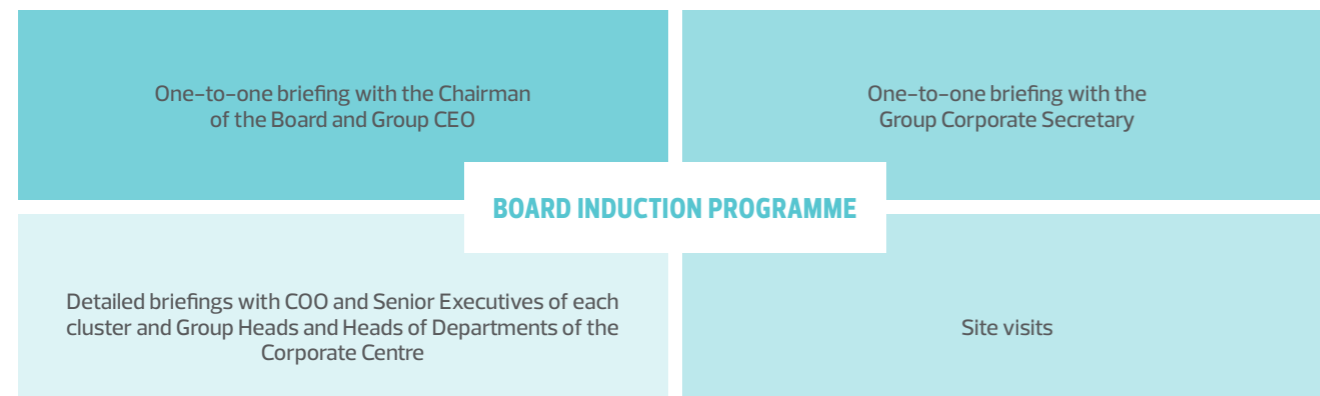
### DIRECTOR APPOINTMENT PROCEDURES



During the year under review, Richard Arlove has been appointed in replacement of Jason Harel who resigned on 31 December 2020. His appointment shall be recommended to the shareholders for approval at the forthcoming Annual Meeting. In addition, Pierre Guénant and Benoit Lagesse shall stand for re-election as per the Constitution of IBL.

### Board induction

The Company Secretary assists the Chairman in ensuring that an induction programme is in place for all new Directors to enable them to develop a good understanding of the Company and the Group. Additionally, as per the Governance Charter, each newly appointed Director receives an induction pack containing documents pertaining to his or her role, duties and responsibilities.



### Board evaluation

In line with its Corporate Governance Charter, IBL shall carry out a Board evaluation exercise every 2 years. The last exercise was conducted in August 2019 by an external evaluator. The Board has further decided that an evaluation exercise shall be carried out internally during this present financial year.

### Professional development and training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices. They are also encouraged to participate in various workshops and presentations organised by the Company from time to time.

### Time commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. Each Director is expected to act in the best interests of the Company and to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of IBL Ltd.

### Succession plan

The Board believes that good succession planning is a key contributor to the delivery of the Group's strategy and its ability to create value in the long term. The Board is committed to recognising and nurturing talent across the Group's executive and management teams in order to develop current and future leaders. Succession planning, which has been delegated by the Board to the Corporate Governance Committee, is reviewed on an annual basis by the Remuneration Sub-Committee. The Board has reviewed the professional development and ongoing education of directors.

## DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

### Directors' duties

Directors are aware of their legal duties. Once appointed on the Board, the Director receives the following documents pertaining to his or her duties and responsibilities:

- Board Charter
- Governance Charter
- Code of Business Ethics
- The Constitution
- Salient features of the Listing Rules and the Securities Act

### Conflicts of interest and related party transactions policy

The Board Charter contains provisions to prevent insider dealing and manage any potential conflict of interest. In addition, the Board approved on 3 June 2019, a Conflict of Interest and Related Party Policy.

### Interest Register

An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

## CORPORATE GOVERNANCE REPORT

### Remuneration policy

There are no established policies for remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required. Non-Executive Directors' fees consist of a fixed fee and an attendance fee per meeting. Any changes to non-Executive Directors' remuneration are submitted to the shareholders of the Company for approval at the annual meeting of shareholders.

The following table depicts the fees paid to Non-Executive Directors for their involvement in the Board and Committees during the year under review.

DIRECTORS	BOARD FEES (RS.)		AUDIT & RISK COMMITTEE FEES (RS.)		CORPORATE GOVERNANCE FEES (RS.)		STRATEGIC COMMITTEE FEES (RS.)		TOTAL FEES (RS.)
	FIXED	VARIABLE	FIXED	VARIABLE	FIXED	VARIABLE	FIXED	VARIABLE	
Jan Boullé	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	6,300,000
Martine de Fleuriot de la Colinière	200,000	200,000	-	-	-	-	-	-	400,000
Isabelle de Melo	400,000	200,000	60,000	90,000	-	-	-	-	750,000
Pierre Guénant	400,000	120,000	-	-	-	-	60,000	110,000	690,000
Jason Harel <sup>(1)</sup>	200,000	40,000	45,000	105,000	-	-	-	-	390,000
Benoit Lagesse	200,000	200,000	-	-	-	-	-	-	400,000
Hugues Lagesse	200,000	200,000	-	-	-	-	-	-	400,000
Jean-Pierre Lagesse	200,000	160,000	-	-	-	-	-	-	360,000
Thierry Lagesse	200,000	200,000	60,000	90,000	35,000	15,000	30,000	50,000	680,000
Gilles Michel	400,000	200,000	-	-	55,000	45,000	30,000	50,000	780,000
Maxime Rey	200,000	200,000	60,000	90,000	-	-	-	-	550,000
Jean Ribet <sup>(2)</sup>	200,000	200,000	-	-	35,000	15,000	30,000	50,000	530,000
Richard Arlove <sup>(3)</sup>	200,000	120,000	45,000	30,000	-	-	-	-	395,000

<sup>(1)</sup> Jason Harel resigned on 31 December 2020. Fees were paid for his six-month period in office.

<sup>(2)</sup> Fees paid to BMH Ltd

<sup>(3)</sup> Richard Arlove was appointed on 1 January 2021. Fees were paid on a pro-rata basis to Arphilia Consulting Ltd, the company employing him.

#### Notes:

(1) Fixed fees refer to annual fees and variable fees to attendance fees, which are paid per meeting attended.

(2) Jan Boullé is a full-time Non-Executive Chairman of the Group and is paid an annual fee of Rs. 6.3 M. He did not receive any attendance fees or committee fees for the year under review. No fees were paid to him for attending meetings of the Group's subsidiaries or associates and these are instead paid to IBL Ltd.

(3) Arnaud Lagesse and Jean-Claude Béga are Executive Directors. They received no fees for attending IBL's Board or Committee meetings nor for attending meetings of subsidiaries or associates of the Group. These fees are instead paid to IBL Ltd.

The Corporate Governance Committee of IBL has also approved the following schedule of fees for Marc Freismuth, the Chairman of the Remuneration Sub-committee, as follows: an annual fixed fee of Rs. 150,000 and an attendance fee of Rs. 10,000 per meeting. No fees are paid to Jean Ribet and Jan Boullé for attending the Remuneration Sub-committee meetings.

### Other Benefits/Incentives for IBL Employees

#### Long-term incentive scheme

A long-term incentive scheme targeted to eligible Executives who are employed on a full-time, permanent basis by the Company or by any subsidiary of the Company is in place. This scheme is a phantom share award scheme, which is overseen by the Corporate Governance Committee. The objectives of this scheme include:

- Creating a reward mechanism that supports achievement of value creation and growth objectives of the Company in the long run.
- Strengthening the ability of the organisation to attract and retain executive talent.
- Strengthening the sense of alignment of interests between executives and shareholders.
- Raising the profile and reputation of the IBL Group by taking a leading position in employee value propositions for executives in the Mauritian market.

#### Short-term incentive scheme

The short-term incentive scheme, also referred to as performance bonus, puts forward the personal performance of the Executives, the Group and Company's profitability. Additional details are available in the Human Capital Report included in the Strategy section of the Integrated Report.

### RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management. While the Audit and Risk Committee oversees the Group's risk governance and internal controls, the nature of the risks facing IBL and the Group's risk appetite remain the ultimate responsibility of the Board.

The Board is also responsible for:

- Ensuring that structures and processes are in place to effectively manage risks;
- Identifying the principal risks and uncertainties that could potentially affect the Company and the Group;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls;
- Identifying any deficiencies in the internal control system; and
- Ensuring that whistle-blowing rules and procedures are in place.

IBL's risk governance and internal control framework is guided by the COSO framework.

To assist the Board in its duties, the day-to-day management of risks has been delegated to IBL's Head of Risk Management whose main responsibility is to drive, support and coordinate risk management activities throughout the Group and in line with its strategic objectives. The Head of Risk Management regularly reports, at least on a quarterly basis, to the Audit and Risk Committee on the Group's risk environment.

Risk management activities and the risks potentially threatening IBL this year are explained in the Risk Management report included in the Strategy section of the Integrated Report. There are no identified risks which threatens the solvency and liquidity of the organisation.



# CORPORATE GOVERNANCE REPORT

## REPORTING WITH INTEGRITY

The Directors are responsible for preparing an annual report and financial statements in accordance with applicable laws and regulations. Company law further requires the Directors to prepare financial statements for each financial year in accordance with International Financial Reporting Standards.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy and at any time, the financial position of the Company and the Group. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps to prevent and detect fraud and other irregularities.

Information regarding IBL's financial, environmental and performance outlook have been disclosed further in the sections "Strategy" and "Performance" of the Integrated Report.

## AUDIT

### Internal audit

The internal audit function holds its place within the third line of defence in the risk governance structure, providing an independent assurance to the Board and Senior Management on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes. It reports functionally to the Audit and Risk Committee and administratively to the Group Head of Corporate Services of IBL Ltd. The leadership of the function rests with the Head of Internal Audit. PwC acts as a co-sourcer. The focus of the internal audit engagements is to address the main risks identified by the Audit and Risk Committee and Senior Management. These are reflected in the internal audit plan that is driven by a risk-based approach.

The effectiveness of the risk management framework and the control environment is assessed using the approved methodology whereby areas of relative weakness and areas requiring improvement are highlighted. Tracking the implementation rate of audit findings and the mitigation plan through an active online monitoring tool allows Senior Management to ensure that risks are being reduced. The internal audit approach and methodology are guided by the Institute of Internal Auditors, Information Systems Audit and Control Association as well as the applicable principles and guidance notes established by the National Code of Corporate Governance for Mauritius.

### Building capabilities to surf the digital transformational phase

The internal audit function strives to follow the digital transformational wave by internally harnessing the latest tools and technologies to bring enhanced capabilities and confidence in the achievement of our roadmap. Those tools are a pivotal point in enhancing the role of the function with the advent of the data era. The internal audit function is using more analytics that will help business to mitigate inherent risks and have the desired level of control.

The need to have specific expertise within the internal audit team is reviewed with the Audit and Risk Committee. Regularly assessing growing emerging risks helps to maintain a balance between providing the right service and consolidating the internal audit function. The Head of Internal Audit is a Chartered Certified Accountant, Certified Internal Auditor and Information System Auditor and a Certified Fraud Examiner. He is assisted by a team consisting of Qualified Accountants, Certified Information System Auditor and graduates.

### The COVID-19 second national lock down impact on the internal audit function

Amidst the global COVID-19 crisis, businesses are dealing with an avalanche of new challenges that require rapid responses in a highly volatile business environment. Following the first wave of COVID-19 and the second national lockdown, our internal audit function continued to redirect its risk-based approach towards operational risks and vulnerabilities faced by companies across the Group and provided insights to management to mitigate these risks. The internal audit team provided audit and advisory services to companies in a view to detect and mitigate impact of operational, cyber and fraud risks to ensure business continuity.

The internal audit engagements carried out during the financial year are detailed in the "Audit and Risk Committee – Matters considered in 2020-2021" section of this report.

## The Head of Internal Audit attendance to IBL Ltd Audit and Risk Committee

MONTH IN WHICH IBL LTD AUDIT AND RISK COMMITTEE WAS HELD	ATTENDED
July 2020	✓
September 2020	✓
January 2021	✓
May 2021	✓

There has been no restriction imposed on the internal audit function to have access to records, management, or employees of IBL Ltd and its operations.

30 internal audit engagements were carried out and the commented reports were presented to the respective Audit and Risk Committees or Risk Committees where the main risks and audit findings were discussed. The split per cluster and audit types are shown in figures 1 and 1.1. Follow ups were done on three instances on 18 previous reports as shown in figure 1.2.

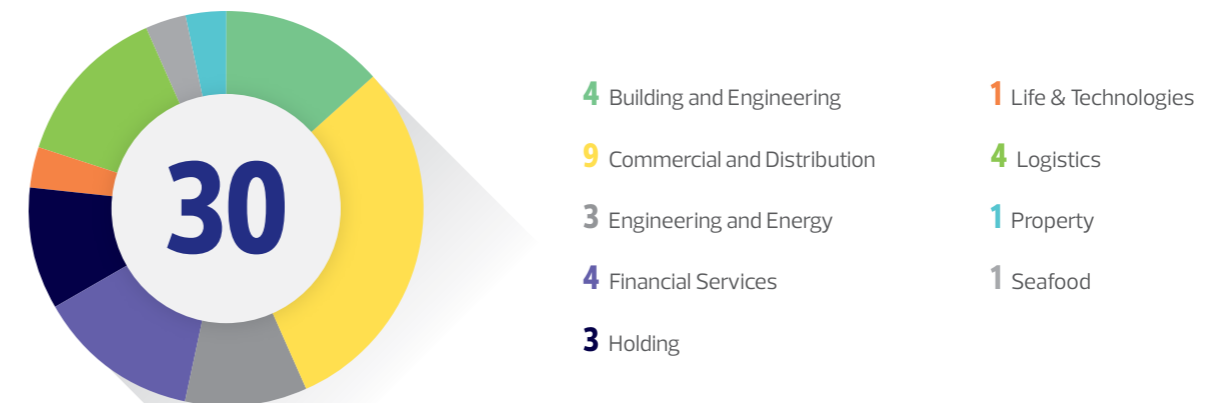


Figure 1 – Cluster analysis per internal audit engagements

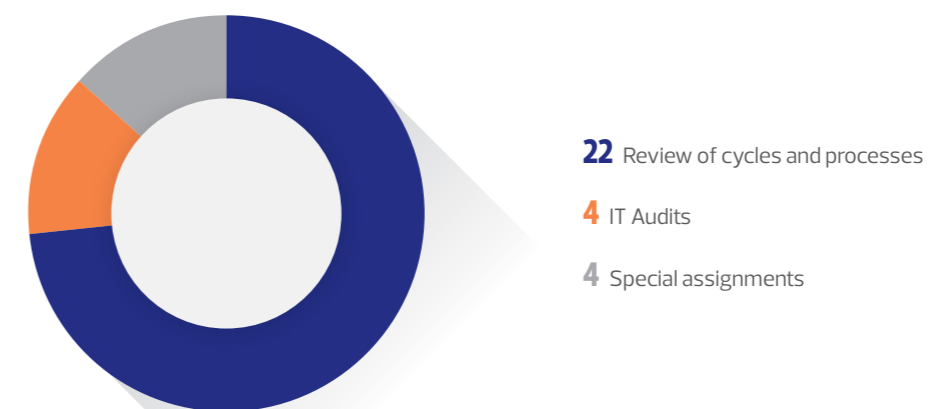


Figure 1.1 – Split between types of audits

## CORPORATE GOVERNANCE REPORT

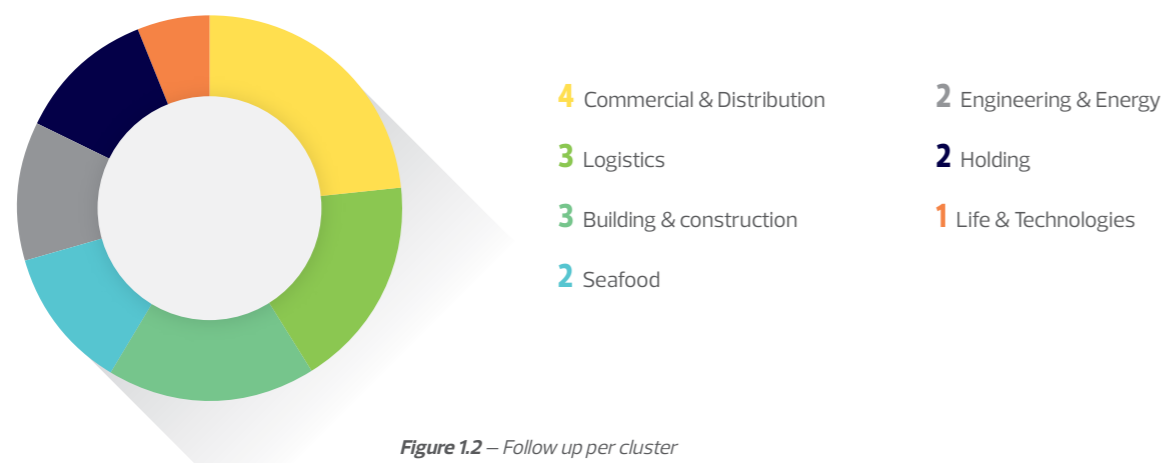


Figure 1.2 – Follow up per cluster

The major processes that were covered during these audits are listed below:

RELATED AUDITABLE CYCLES AND PROCESSES		NUMBER OF COMPANIES
1	Inventory	6
2	Cash and bank	5
3	Journals and finance procedures	5
4	Revenue and receivables	5
5	IT General controls, data migration and data security	4
6	Human capital	4

### External Audit

At the forthcoming Annual Meeting of Shareholders, the Board shall recommend the appointment of Messrs. Deloitte as external auditor for the year ending 30 June 2022.

With regard to external audit, the Audit and Risk Committee is responsible for, *inter-alia*:

- reviewing the auditor's letter of engagement;
- reviewing the terms, nature and scope of the audit; and its approach;
- ensuring that no unjustified restrictions or limitations have been placed on its scope;
- assessing the effectiveness of the audit process.

The external auditor has direct access to the Committee should they wish to discuss any matters privately. During the financial year 2020–2021, the external auditor met the members of the Audit and Risk Committee outside the presence of management.

### Auditor's independence

The Audit and Risk Committee is responsible for monitoring the external auditor's independence, objectivity and compliance with ethical, professional and regulatory requirements; and for maintaining control over the provision of non-audit services.

The external auditor is prohibited from providing non-audit services which might compromise their independence by requiring them to subsequently audit their own work. Any other non-audit services provided by the external auditor are required to be specifically approved by the Audit and Risk Committee. Audit fees are set in a manner that enables an effective external audit. The Auditor should ensure that it observes the highest standards of business and professional ethics and, in particular, that its independence is not impaired in any manner.

## RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

### IBL's key stakeholders



### Stakeholders' engagement

IBL's engagement with its shareholders and various stakeholders is detailed in the section "Strategy" of the Integrated Report.

### Communication with shareholders

IBL recognises that good communication with its shareholders is core to any good governance platform and is committed to regular and proactive communications with its shareholders. The Board thus ascertains that, at all times, there is sufficient disclosure of information to its shareholders so that they are kept fully informed of any information relating to the Company which is necessary to enable them to be appraised of the position of the Company. Any major announcement in relation to the activities of the Company, interim quarterly financial statements or abridged audited annual financial statements, as required by the Listing Rules and the Securities Act, are disclosed to the shareholders in a timely manner and posted on IBL's website.

### Shareholding profile

The Company's stated capital is made up of 680,224,040 ordinary shares and 1,510,666,650 restricted redeemable shares.

As at 30 June 2021, 12,537 shareholders were recorded in the Company's share register.

### Substantial shareholders

The table below highlights IBL's shareholders who hold 5% or more of the ordinary shares as at 30 June 2021.

NAME OF SHAREHOLDER	PERCENTAGE HOLDING (%)
Espérance et Compagnie Limitée (now Esperance International Ltd)	10.8277
Société Portland	7.3799
Swan Life Ltd	6.7475

## CORPORATE GOVERNANCE REPORT

### Shares in public hands

In accordance with SEM's Listing Rules, the percentage shareholding of IBL in public hands is more than 25%.

### Restricted redeemable shares

GML Ltée is the holder of 1,510,666,650 restricted redeemable shares ("RRS"), representing 68.95% of the voting rights. The restricted redeemable shares are not listed and the only right attached to these shares is the power to vote at general meetings. GML Ltée has no right to dividends or distribution or to any surplus from the Company in case of winding up.

### Dividend Policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company. An interim dividend is normally declared in November and paid in December and a final dividend is normally declared in May and paid in June.

For the year under review, an interim dividend of Re.0.11 per share was paid to the shareholders of IBL in December 2020 and in July 2021, a final dividend of Re.0.33. Total dividends for the year amounted to Re.0.44 per share (2019-2020: Re.0.61), representing a drop of 27% from the previous year.

### Shareholders' agreement

There exists no Shareholders' Agreement to the knowledge of the Directors.

### Calendar of forthcoming shareholders' events

One of the most important shareholders' related events of the year is the Annual Meeting. This meeting allows the Board of Directors to communicate to the shareholders up-to-date and detailed information on the activities of the Company for the year under review and future projects or developments for the year ahead. The shareholders are therefore encouraged to attend the Annual Meeting and discuss with the Directors.

The external auditor also attends the Annual Meeting and are available to respond to queries which the shareholders may have with regard to their scope of work.



**Jan Boulé**  
Chairman of the Board of Directors



**Richard Arlove**  
Director