

Corporate Governance Report

Excelsior United Development Companies Limited (“EUDCOS” or the “company”) is a public interest entity, as defined by the Financial Reporting Act 2004. The Board of Directors adheres to the highest principles of good governance and ensures that these are followed and applied throughout the Group. It recognises the importance of such principles and is currently in the process of implementing the necessary changes so as to be fully compliant with the National Code of Corporate Governance for Mauritius (2016) (the “Code”). It believes that the adoption of the highest standards of governance is imperative for the enhancement of stakeholder value.

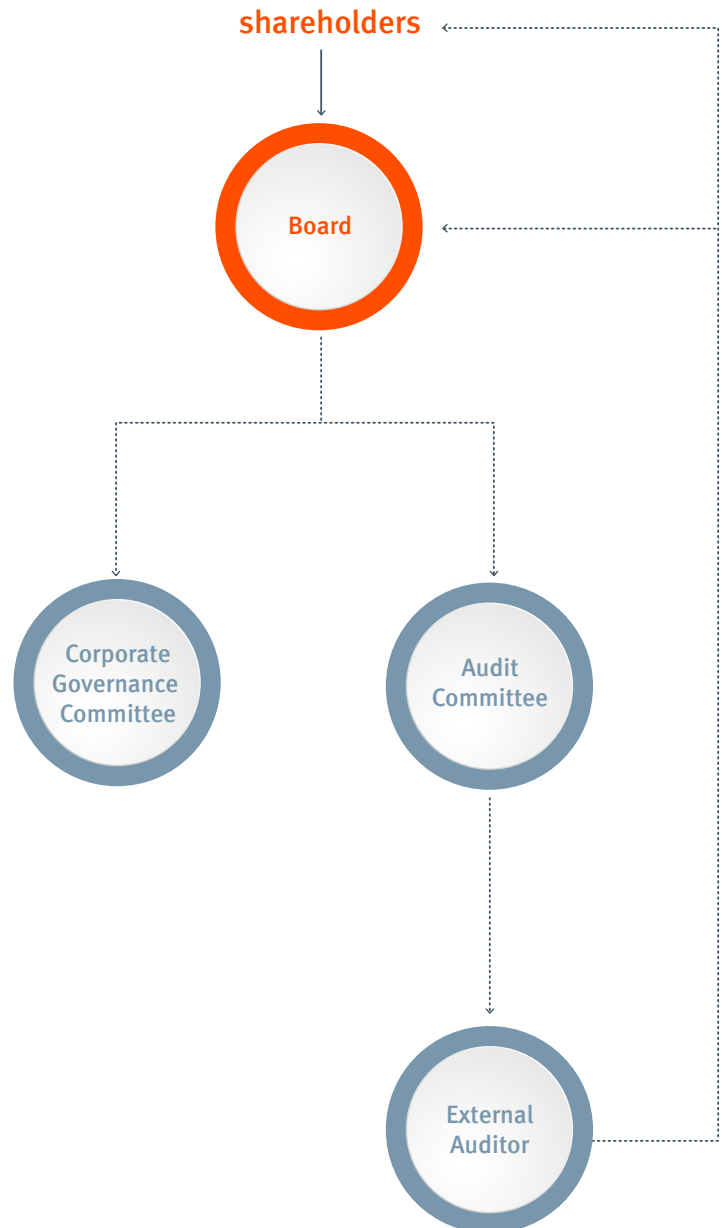
This report sets out the company’s main corporate governance processes. The Board has applied the principles of the Code in all material aspect, except for the principles for which an explanation has been provided in this report.

Principle 1: Governance Structure

EUDCOS is led by an effective and highly committed Board of directors, whose responsibilities are inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

Corporate Governance Framework

The current corporate governance framework of the group is set out below:



Role of the Board

The main role of the Board is to maintain a high standard of governance so as to protect and enhance shareholders' value. It sets the overall strategy for the Group, provides oversight and guidance to the management of its subsidiary and ensures that good corporate governance policies and practices are developed within the Group. The Board acts in good faith, with due diligence and care, and in the best interests of the company and its shareholders. It is responsible for leading and controlling the company and meeting all legal and regulatory requirements.

Role of Board Committees

The Board delegates its duties and powers, where necessary, to Board committees, in order to ensure operational efficiency and that specific issues are being handled with relevant expertise. Two Board committees have been established, namely the Audit Committee and the Corporate Governance Committee which have their specific duties and authorities. Each committee has its specific duties and authorities set out in its charter. The charters are available for consultation on the company's website.

Role of management

Taking into consideration the size of the Company and the scope and nature of its operations and in view of the restructuring of the group since January 2019, the Board considers that the need for a CEO or any executive director has been eliminated. The Board has distributed the onus of responsibility for the leadership of its subsidiary and associates to their individual management, who are responsible for running the day-to-day operations and reporting back to the Board. Decisions on managing the investments are taken at Board level.

Third party management agreement

The corporate and administrative requirements of the company and its subsidiary have been entrusted to Promotion and Development Ltd ("PaD") as from January 1st 2019. During the year under review, the company paid a monthly fee of MRs200,000 to PaD for the administrative and accounting services provided to the group. The agreement was made in the normal course of business and the Board is satisfied that the fee charged is fair and reasonable and in line with normal commercial terms.

Position statements

The position statements of the chairperson, the directors and the company secretary have been approved by the Board. Their key roles and responsibilities have been clearly defined and are summarised below.

Chairperson

- ~ Responsible for the leadership of the Board,
- ~ Ensures the Board's effectiveness,
- ~ Ensures that directors receive accurate, timely and clear information,
- ~ Encourages active participation of all Board members in discussions and decisions,
- ~ Ensures effective communication with stakeholders,
- ~ Presides and conducts meetings effectively,
- ~ Ensures that development needs of the directors are identified and that appropriate training is provided to continuously update the skills and knowledge of the directors.

Directors

- ~ Contribute to the development of the strategy,
- ~ Ensure that financial information released to the market and shareholder is accurate,
- ~ Ensure that the company has adequate and proper financial controls and systems of risk management,
- ~ Actively participate in Board decision-making,
- ~ Provide specialist knowledge and experience to the Board,
- ~ Remain permanently bound by fiduciary duties of care and skill.

Company secretary

- ~ Ensures compliance with all relevant statutory and regulatory requirements,
- ~ Prepares and circulates the agenda for Board and Board committees meetings, with any supporting document,
- ~ Participates in the induction process of newly appointed directors,
- ~ Provides comprehensive practical support and guidance to directors as to their responsibilities,
- ~ Monitors governance processes.

Statement of accountabilities

The directors have approved the following statement of accountabilities:

- ~ The Board assumes the responsibility for leading and controlling the company and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- ~ The Board is accountable for the performance and affairs of the company and for achieving sustainable growth.
- ~ The Board is responsible for ensuring that the company adheres to high standards of ethical behavior and acts in the best interest of shareholders.
- ~ The Board has the responsibility of reviewing and approving the results announcements of the company.

Board Charter

The Board has adopted a charter which sets out the objectives, roles and responsibilities and composition of the Board. The charter should be read in conjunction with the company's Constitution and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail.

The main objectives of the charter are to:

- ~ define the purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and the group in accordance with the directions and delegations of the board; and
- ~ monitor the ethical conduct of the subsidiary companies, its executives and senior officials.

The charter defines inter alia the roles, functions and objectives of the Board, various board committees, the Chairperson, the Managing Director and the Company Secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision making processes within the group.

The charter is available for consultation on the company's website.

Constitution

The company was incorporated as a public company on October 9th 1974.

The company's Constitution comprises the following main clauses:

- ~ The company has wide objects and powers;
- ~ There are no pre-emptive rights;
- ~ Fully paid shares are freely transferable;
- ~ The quorum for a meeting of shareholders is five shareholders present or represented;
- ~ The minimum number of directors is six and the maximum number is twelve;
- ~ The quorum for a meeting of the Board is six;
- ~ An additional director may be appointed by the shareholders by ordinary resolution but so that the total number of directors shall not at any time exceed the maximum number fixed in accordance with the Constitution;
- ~ The Board has the right to appoint any person to be a director to fill a casual vacancy. A director so appointed shall hold office only until the next Annual Meeting and shall then retire but still be eligible for appointment;
- ~ A director who is interested shall be allowed to vote on any matter relating to the transaction or proposed transaction in which he is interested and shall be counted in the quorum present at the meeting as long as he has duly declared his interest;
- ~ In case of equality of votes at either a Board meeting or a meeting of shareholders, the chairperson of the meeting has a casting vote.

A copy of the company's Constitution is available on www.eudcos.com.

Code of Ethics

The directors are committed to the highest standard of integrity and ethical conduct in dealing with all stakeholders. A formal Code of Ethics which has been approved by the Board, has been devised to provide directors with the required information on how to always conduct business with integrity and honesty. Moreover, the Code of Ethics must be read together with the other policies prevailing within the Group and any business-specific policies in the applicable area.

The Code of Ethics is available for consultation on the website of the company.

Organisational chart

The company has no personnel directly employed by it and all employees are at the level of its associates. Administrative matters are carried out by the staff of Promotion and Development Ltd.

Principle 2: The structure of the Board and its committees

Board structure, size and composition

The company's Constitution provides that the Board shall consist of a minimum of six and a maximum of twelve directors. As at June 30th 2022, the company was headed by a unitary Board consisting of eight directors, seven of whom are non-executive directors and one an independent non-executive director. The directors who are not deemed to be independent by virtue of either being a major shareholder or a representative of a major shareholder or of having served on the Board for more than nine continuous years, are however independent in both character and judgement; they have wide experience and make important contributions to the Board as a whole with regards to the group's business and operations and other strategic issues. Nevertheless, in order that the Board continues to comprise an appropriate balance of independently minded Directors and to avoid 'group think', the company is in the process of appointing an independent director. All the directors are residents of Mauritius.

The Board regularly reviews its size and composition to ensure that there is an appropriate balance of expertise, skills and experience amongst its members. During the period under review, the Board was satisfied that its size and composition was commensurate with the sophistication and scale of the organisation and appropriate to facilitate the effective decision-making and consequently, the size and composition of the Board remained unchanged. All members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the company and to protect the interests of shareholders and other stakeholders.

The names and profiles of the Board members are set out on pages 8 to 12.

Balance

Executive directors	-
Non-independent and non-executive directors	7
Independent and non-executive directors	1
Total	8

Average age

< 50	1
51 - 60	2
61 - 70	2
> 70	3
Total	8

Gender diversity

Female	1
Male	7
Total	8

Length of tenure

< 10 years	3
10 - 20	2
21 - 40	2
41 - 50	1
Total	8

Board meetings

The Board meets regularly, at least at quarterly intervals, and holds additional meetings as and when it is deemed appropriate. Meetings are scheduled annually in advance, according to an annual Board calendar.

Six Board meetings were held during the year under review.

Matters considered by the board in 2021-2022 include inter alia:

- ~ the audited annual report for the year ended 30th June 2021,
- ~ the company's and the group's abridged unaudited financial statements for the first, second and third quarters,
- ~ the reduction of the Company's stated capital
- ~ the declaration of dividends,
- ~ the company's and the group's budgets,
- ~ management reports pertaining to the group's different operating units.

The agenda of each Board meeting is prepared by the company secretary in consultation with the chairperson and circulated to the directors together with accompanying Board papers in a timely manner.

Minutes of Board meetings are prepared by the company secretary in consultation with the chairperson and include details of decisions reached, any concerns raised and dissenting views expressed and are circulated to the directors in a timely manner. Once approved by the Board, minutes are signed by the chairperson of the meeting.

Attendance at Board meetings

The directors who held office and their attendance at Board meetings during the financial year ended June 30th 2022 are given below:

Directors	Category	Attendance at meetings
René Leclézio (Chairperson)	Non-executive	6
Pierre Doger de Spéville	Non-executive	4
Thomas Doger de Spéville	Non-executive	5
Lajpati Gujadhur	Non-executive	6
Rajkumar Gujadhur	Non-executive	6
Marc Lagesse	Independent	5
Jocelyne Martin	Non-executive	6
Marc de Ravel de L'Argentière	Non-executive	6
Total number of meetings held		6

Where Board meetings could not be held, the directors approved matters by way of written resolutions circulated to them. Supporting documents were also circulated in the process.

Board Committees

To assist the Board in the discharge of its duties, the following Board committees were established with charters, approved by the Board, which clearly define their terms of reference, composition and functionality. The charters of both committees are available for consultation on the company's website.

Audit Committee

The committee is appointed by the Board to assist in the discharge of its duties relating to the overall control aspects of the company and its subsidiary, including the safeguarding of assets, the monitoring of internal control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

It comprises three members, whose attendance is given below:

Members	Category	Attendance at meetings
Marc de Ravel de L'Argentière (Chairperson)	Non-executive	5
Thomas Doger de Spéville	Non-executive	5
Jocelyne Martin	Non-executive	5
Total number of meetings held		5

All three members of the committee have the relevant financial experience. None of the members of the committee were previous partners or directors of the external auditors. The committee is not composed of a majority of independent non-executive directors. However, the Board believes that the committee has the requisite skills and experience to provide a significant and valuable contribution to the Board as a whole and has amply demonstrated independence and objectivity in the discharge of its duties and responsibilities.

Matters considered by the Audit Committee in 2021-2022 include inter alia:

- ~ reviewing the financial reporting process, in particular the accuracy, reliability, integrity and compliance with legal and regulatory requirements of the company's interim and annual financial statements,
- ~ reviewing the adequacy and effectiveness of its risk management and internal control system,
- ~ assessing and recommending the appointment of auditors,
- ~ reviewing the annual financial statements before their submission to the Board,
- ~ reviewing the abridged quarterly financial statements for the first, second and third quarters.

Corporate Governance Committee

The main role of the Corporate Governance Committee is to advise and make recommendations to the Board in the discharge of its duties relating to corporate governance matters, nomination of directors and all remuneration aspects.

It comprises four members, whose attendance is given below:

Members	Category	Attendance at meeting
Marc Lagesse (Chairperson)	Independent	1
Pierre Doger de Spéville	Non-Executive	1
René Leclézio	Non-Executive	1
Jocelyne Martin	Non-Executive	1
Total number of meetings held		1

Matters considered by the Corporate Governance Committee in 2021-2022 include inter alia:

- ~ reviewing the composition, size and structure of the Board,
- ~ establishing clear selection criteria for prospective directors, with a view to identify suitable candidates appointment as an independent Director,
- ~ driving the process for the implementation of the National Code of Corporate Governance for Mauritius (2016) throughout the Group and ensuring that the disclosure and reporting requirements set by the Code are complied with.

The company secretary acts as secretary to both Board committees. Minutes of each meeting are recorded.

There is transparency and full disclosure from Board committees to the Board of directors.

Minutes of the meetings of the Audit Committee are submitted to the Board for noting.

Principle 3: Director appointment procedures

Election and re-election of directors

The Constitution of the company does not provide for annual re-election of directors. However, directors are encouraged to submit themselves to re-election at regular intervals. Directors who wish to be re-elected should be submitted for re-election at the next meeting of shareholders. In accordance with the provisions of The Companies Act, directors of or over the age of 70 years shall retire from office and be eligible for re-election on a yearly basis.

Nomination process

The nomination of any director is reviewed and discussed by the Corporate Governance Committee in its capacity as Nomination Committee, taking into account the candidate's skills, qualifications and experience. The Committee recommends to the Board the nomination to be put before the annual or special meeting of the shareholders for approval.

Board induction and training

An induction pack is immediately sent to a newly appointed director upon his appointment, containing namely his letter of appointment, a copy of the last Annual Report, minutes of recent Board meetings, a schedule of dates of future Board meetings, an organisational structure and other documents pertaining to his role, legal duties and responsibilities, namely the Constitution, the Code of Ethics and Business Conduct, the Code of Corporate Governance and salient features of the DEM Rules, the Companies Act and the Securities Act. He would meet the chairperson of the Board to be briefed on the operations and businesses of the group.

A newly appointed director is required to notify the company secretary of his interests and those of his associates in the company's shares for entry in the Register of Interests and further notification to the relevant authorities.

Succession planning

The company has no employees and all administrative matters are carried out by the staff of Promotion and Development Ltd. The company therefore, does not have any formal succession plan of its own. The chairperson of the Board is responsible for overseeing the succession planning for the Board in collaboration with the Corporate Governance Committee.





Principle 4: Director duties, remuneration and performance

Legal duties

Directors are made aware of their legal duties in the induction program they follow on first appointment. Directors' duties emanate mainly from the company's Constitution, The Companies Act and The DEM Rules.

Conflicts of interest

Directors do their best to avoid conflicts of interest. Should any conflict or potential conflict occur, it would be the duty of the director to make a full and timely disclosure to the Board. An interest register is maintained and updated on a quarterly basis and is available for consultation upon written request to the company secretary.

However, the Constitution of the company provides that a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest and after such disclosure has been made, a director shall be entitled to vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested and if he does so his vote shall be counted.

Contracts of significance

During the year under review, there was no contract to which the company was a party and in which a director of the company was interested, either directly or indirectly.

Related party transactions

Details on related-party transactions are given in note 36 of the financial statements.

The conflict of interest and related party transactions policy which has been approved by the Board, outlines the procedures for addressing issues arising in these areas. This policy is applicable at subsidiary level and made available on the company's website.

Directors' service contract

The Directors have no service contract with the company.

Directors and officers liability insurance

The directors of the company and of its subsidiary benefit from an indemnity insurance cover contracted by the company.

Directors' dealings in shares

The directors are aware of the contents of the Model Code on Securities Transactions by Directors (Appendix 6 of The Mauritius Stock Exchange Listing Rules 2000) and ensure that all dealings in which they are or are deemed to be interested are conducted in accordance therewith.

Directors' share interests

The directors' direct and indirect interests in the shares of the Company as at June 30th 2022 were as follows:

	ordinary			
	Direct		Indirect	
	Number	%	Number	%
Directors				
René Leclézio	53,109	0.04	672,738	0.55
Pierre Doger de Spéville	11,339,290	9.34	7,103,000	5.84
Thomas Doger de Spéville	65,226	0.05	-	-
Lajpati Gujadhur	442,177	0.36	-	-
Rajkumar Gujadhur	592,786	0.49	-	-
Marc Lagesse	66,000	0.05	-	-
Jocelyne Martin	5,100	0.00	-	-
Marc de Ravel de L'Argentière	713,864	0.59	-	-

During the year under review, share dealings by directors were as follows:

	Number of shares acquired	
	Direct	Indirect
Directors		
René Leclézio	53,106	-
Pierre Doger de Spéville	153,483	162,660

The company secretary maintains a Register of Interests that is updated with any dealing in shares or any transaction entered into by directors and their associates, which is required to take place outside the close periods, of which they are informed by the company secretary.

Directors' remuneration and benefits

The members of the Corporate Governance Committee, in its capacity as the Remuneration Committee, have been entrusted with determining and recommending to the Board, for its approval, the level of directors' fees.

The group's underlying philosophy is to set remuneration at an appropriate level to attract, retain and motivate high calibre personnel and to reward them in accordance to their individual as well as collective contribution towards the achievement of the company's objectives and performance, whilst taking into account current market conditions and the company's financial position.

Directors receive an annual fixed fee. Any revisions in fees are submitted to the shareholders for approval at the annual meeting of shareholders. The Corporate Governance Committee, in its capacity as Remuneration Committee, is in the process of reviewing the directors' fees in order to ascertain that the latter are appropriate and are not likely to cause any conflict of interest in directors' decision-making.

Directors have not received remuneration in the form of share options or bonuses directly associated with the company's performance.

Fees to which directors and Board committee members are currently entitled are as follows:

	Annual fees MRs
Board	
Chairperson	60,000
Director	50,000

The remuneration of the Directors for the year under review is set out below:

	2022 MRs	2021 MRs
Directors of the holding company		
Remuneration and benefits paid by the holding company to:		
~ Executive directors	-	-
~ Non-executive directors	410,000	410,000
Remuneration and benefits paid by subsidiary companies to:		
~ Executive directors	-	-
~ Non-executive directors	53,000	160,000
Other directors of subsidiary companies		
Remuneration and benefits paid by the respective subsidiary companies to:		
~ Executive directors	1,772,793	7,306,824
~ Non-executive directors	30,000	90,000

The above includes remuneration paid to directors up to date of disposal of its subsidiary, Medine Distillery Company Limited which is now an associate.

Directors' remuneration on an individual basis for the year under review was as follows:

	2022 MRs	2021 MRs
Directors		
René Leclézio	60,000	60,000
Pierre Doger de Spéville	50,000	50,000
Thomas Doger de Spéville	50,000	50,000
Lajpati Gujadhur	50,000	50,000
Rajkumar Gujadhur	50,000	50,000
Marc Lagesse	50,000	50,000
Jocelyne Martin	50,000	50,000
Marc de Ravel de L'Argentière	50,000	50,000

Board and Directors' evaluation

The Board acknowledges the need to regularly review the Board's performance and effectiveness, that of its committees, the Chairperson and individual members. An internal Board evaluation exercise was carried out for the financial year 2020/2021. The evaluation was carried out by means of a questionnaire that was filled in by each Director. The questionnaire covered the following areas:

- ~ The structure of the Board
- ~ Board efficiency and effectiveness
- ~ Strategy and Performance
- ~ Risk Management and Governance
- ~ Board committees function
- ~ Board members self-evaluation
- ~ Chairperson's evaluation by board members

The results were analysed and the review established that the directors consider the Board to be operating effectively. The Board was comfortable with the overall results of the assessment and the few areas requiring improvement have been considered by the Corporate Governance Committee.

The Board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

The Board has decided that the board evaluation exercise would be carried out every 2 years. As such, the next exercise will be held in 2023. The directors endeavour to maintain the same vigilance in leading the Company.

Information, Information Technology and Information Security Governance

All aspects relating to IT and its governance have been entrusted to Promotion and Development Ltd. The Board is satisfied with its implementation so as to ensure appropriate organisational and technical precautions for access control, access rights, virus protection and data protection. The effectiveness of these measures is scrutinised and monitored by the Audit Committee and the external auditor.

Principle 5: Risk governance and internal control

Risk management

The group's activities are exposed to a wide range of risks that could impact on its financial performance. The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The group's policy is to develop a minimum framework for governance that lays the foundation for further development of superior governance practices, which are vital for growing the business. The group recognises that transparent disclosure, financial control and accountability are pillars of good corporate governance. It is the group's endeavour to attain the highest level of governance to enhance stakeholder value.

The group is committed to the identification, monitoring and management of the risks associated with its business activities and has embedded in its management systems a number of management controls to that end. These include:

- ~ Financial Reporting: the group has a comprehensive budgeting system, with an annual budget approved by the Board. This budget is reviewed on a monthly basis and revised if necessary.
- ~ Insurance: the group's primary risks are covered by a number of insurance policies. The company believes that its assets are well protected against any foreseeable event.

By virtue of the diverse nature of its business activities, the group is exposed to a variety of risks, as outlined hereunder.

Business risk

The overall revenues and operating results of the group depend on a diversity of products and services, and this diversified strategy in itself limits the risk faced by the group, since the markets involved differ in their structure and economic cycles. The group has an informal risk management process in place as an integral part of its ongoing business planning processes. Potential negative developments, such as changes in customer demand or the political framework, are dealt with in a timely manner to avoid deviations from the business plan.



Information Technology (IT) risk

IT risks can affect a business's results when information is unavailable, erroneous or unintentionally disclosed, or when the processes to be depicted have been implemented in IT systems in a way that is too inflexible, too complex or illegal. Security gaps and insufficient emergency planning measures can quickly become incidents that affect the entire company. Data protection violations due to incorrect authorisations create a negative external impression. The increasing dependency on IT, as well as the growing interconnectivity of IT landscapes, makes it necessary for companies to invest heavily in maintenance and enhancement. In addition, data processing is a time-consuming and costly activity. As the complexity of the IT landscape increases, so do the potential risks and costs to the business.

The general risk situation means that more professional threats can be expected, with the trend moving towards targeted industrial espionage and sabotage. Significant risk scenarios for the group include the failure of its central IT systems, the publication of classified confidential information and the unauthorised manipulation of its IT systems.

The group, through PaD, which is in charge of the corporate and administrative requirements of the company and its subsidiary, ensures the necessary availability of business-critical application systems and access to business-relevant data, by means of the appropriate redundancy of systems, networks and sites, as well as suitable tested contingency measures. The effectiveness of these measures is regularly monitored and reviewed by the Audit Committee as well as the external auditor. A dedicated process ensures that IT risks are evaluated and appropriate measures taken. On the basis of the measures taken, we assume that the likelihood of a serious IT risk occurring is low.

Health, safety and environmental risks

Given the diversity of its business activities, the group may be exposed to risks of possible damage to people, goods and its image. We minimise the risks to people and the environment by means of auditing, advising and training in matters of environmental protection, as well as occupational health and safety. The group relies on its subsidiary and associates to adhere to high technical standards, rules of conduct, and all legal requirements in environmental protection and occupational health and safety.

Legal and regulatory risks

Legal risk is managed by the Board, taking advice from the company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

Regulatory risk is managed by the Board and involves the setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the company.

Market risk

The group is exposed to market risk and the incidence of the exchange rate. This is mitigated by analysing the impact of currency fluctuations, alongside with properly managing foreign exchange exposure.

Financial risk

Financial risks relate to equity investment risks comprising of the risks of gains or losses arising from adverse changes in the fair value of the investments of the company. The Board regularly reviews the financial performance and share performance of the company's underlying investments.

The group's management of financial risk is detailed in note 3 of the financial statements.

Internal control

The objective of the internal control system for accounting is to implement controls that provide assurance that the financial statements are prepared in compliance with the relevant accounting laws and standards. It covers measures designed to ensure the complete, correct and timely transfer and presentation of information that is relevant for the preparation of the consolidated financial statements and the management report of the group.

The internal control system is subject to continuous development and is an integral component of the accounting and financial reporting processes of all the group's relevant business units and functions. With respect to the accounting process, the internal control system measures are intended to minimise the risk of materially false statements in the consolidated accounting process of the group.

Policies, systems, processes and procedures have been put in place and their application is regularly reviewed and assessed by the Audit Committee, to ensure that they are effective and are being complied with. Through the audits conducted on the company and on its subsidiary, the external auditor also reports and makes recommendations to the Audit Committee on any material weaknesses in accounting and internal control systems which come to its notice. Its findings are then being discussed and addressed.

Whistleblowing policy

All directors of the company and its subsidiary adhere to the Code of Ethics adopted by the Board. A reporting mechanism is detailed in the said Code ensuring that any, client, shareholder or other stakeholder of the Group who reckons that someone is acting in breach of the Code of Ethics or the law can address a report to the Company Secretary or the Chairman of the Board.

Principle 6: Reporting with integrity

The Board is responsible for preparing the annual report including the annual audited financial statements in compliance with International Financial Reporting Standards, International Accounting Standards and The Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and is committed to provide all information necessary for shareholders and other stakeholders to assess the group's position, performance and outlook. The annual report for the year ended June 30th 2022 will be published on the website of EUDCOS.

Charitable and political donations

By reason of the close relationship between Medine Limited and the EUDCOS Group, all CSR initiatives of the company and of its subsidiaries are generally channelled through Fondation Medine Horizons, the Medine Group's SPV for the implementation of social projects. In compliance with the CSR Fund Provision introduced by the Finance Act 2009, the company has, this year again, entrusted Fondation Medine Horizons with its CSR levy. No political donations were made during the year under review.

	The Group		The Company	
	2022	2021	2022	2021
	MRs	MRs	MRs	MRs
Donations made during the year:				
~ CSR (Statutory)	25,435	1,185,888	25,435	50,815
~ Other donations	-	-	-	-

Environmental policy and initiatives

The group acknowledges its duty as a responsible corporate citizen to protect the natural environment for future generations. The group's objective is to better understand its adverse environmental impact, to inform and educate its people about it, and to set achievable goals for reducing it.

The group has identified its most significant adverse environmental impacts as:

- ~ The depletion of natural resources through the procurement and use of goods and services;
- ~ Carbon emissions into the atmosphere from the use of fossil fuel-based energy in its offices and through its business transport requirements;
- ~ The production of waste in its offices; and
- ~ The use of water resources and the discharge of wash-water to the sewer.

The group has also identified its positive environmental impacts as:

- ~ The reduction of waste through the promotion of recycling and waste management activities;
- ~ The introduction and use of a range of energy-saving devices and practices; and
- ~ The implementation of practices that reduce its carbon emissions.

The group is committed to managing its environmental impacts and continuously improving its environmental performance by:

- ~ Complying, as a minimum requirement, with relevant legislation, regulations and other relevant requirements;
- ~ Where possible, implementing systems that meet the requirements of ISO 14001 as a certified environmental management system (EMS) and regularly reviewing them;
- ~ Setting realistic objectives and targets for each of its most significant environmental impacts;
- ~ Minimising its energy consumption and carbon emissions, and encouraging the use of less polluting forms of transport whenever possible;
- ~ Minimising the amount of waste produced by way of reduction, recovery re-use, and recycling;
- ~ Communicating its Environmental Statement and relevant procedures to employees and other stakeholders, and promoting environmentally sensitive behavior; and
- ~ Where possible, reporting its environmental commitment and performance.

Principle 7: Audit

Internal audit

The group does not currently have an internal audit function given the nature of its activities (i.e. holding company) and the central control and organisational and approval structure in place across the group with clearly defined levels of authority and division of responsibilities. The Board considers that it has clear and robust procedures for the approval of all transactions, no matter what their size, through formal Board committees and formally delegated authority limits and that the internal control procedures in place are an effective alternative to a dedicated internal audit function. The objectives and activities covered by an internal audit function were as such appropriately addressed during the period by the committees and other management control mechanisms. However, in order to be in line with The National Code of Corporate Governance for Mauritius (2016), the company will consider to outsource the internal audit function.

External auditors

External auditors are appointed and reappointed by the shareholders, following recommendations made by the Audit Committee and ultimately by the Board.

The auditors Ernst & Young who were first appointed in December 2019 were re-appointed as external auditors at the annual meeting of shareholders held in December 2021.

The Audit Committee plays a key role in evaluating the effectiveness and independence of the external auditors. The effectiveness of the external auditors is reviewed by the Audit Committee through feedbacks received from its members and from the management at subsidiary level.

For the presentation and approval of audited yearly financial statements, external auditors meet with the Audit Committee. During the meeting, the accounts presented, management letters and key audit issues are discussed thoroughly, as well as any critical policies, judgements and estimates.

Any instruction to the external auditors to provide non-audit services is closely reviewed and approved by the Board, on the recommendation of the Audit Committee, thus ensuring the auditors' independence.

Auditor's remuneration

	The Group		The Company	
	2022	2021	2022	2021
	MRs	MRs	MRs	MRs
Audit fees				
~ Ernst & Young	592,350	850,000	403,875	375,000
Non-audit fees				
~ Ernst & Young	-	-	-	-



Principle 8: Relations with shareholders and other key stakeholders

Communication with shareholders

The Board recognises the importance of communication with shareholders. Transparency in our shareholders' communication is vital and is reflected in various initiatives such as:

- ~ The company's website: The website of the company is regularly updated with a view to be used as a means of effectively communicating with shareholders and all other stakeholders, keeping them abreast of developments within the group. All corporate and governance documents approved by the Board are published thereon.
- ~ The annual report: The shareholders are entitled to receive the annual report of the company and the notice of Annual Meeting within six months of the end of the financial year and at least 21 days before the annual meeting in accordance with the Companies Act 2001. The present annual report is available on www.eudcos.com.
- ~ Press communiqués: Shareholders are kept informed, through press communiqués, of all material events affecting the company, especially if an event could have an effect on the share price.
- ~ Shareholders' meetings: Shareholders are encouraged to attend all meetings of shareholders, annual or special, in order to remain informed of the group's strategy and objectives. At a shareholders' meeting, the shareholders are given the opportunity to ask questions. The chairperson and the directors are normally available to answer them. All directors, including the chairmen of both Board committees, are expected to attend the annual meeting. The external auditors are also present to assist the directors in addressing queries by shareholders.

During the year under review, the group's quarterly results, half-yearly results and audited financial statements, were submitted to the Stock Exchange of Mauritius Ltd and to the Financial Services Commission, immediately after being approved by the directors, and were published accordingly.

Shareholders' queries that are received by telephone, letter or email, are properly attended to by the company secretary and by the Registrar and Transfer Agent of the company.

Any matter in relation to any off-market transfer of shares, change of name or address and loss of share certificates or dividend cheques should be addressed to the Registrar and Transfer Agent as follows:

MCB Registry & Securities Ltd,
Raymond Lamusse Building,
Sir William Newton Street, Port Louis;
Tel. 202 5640;
Email: mcbbs.backoffice@mcbcm.mu

In addition, any request for copies of quarterly accounts or annual report, and of the statement of direct and indirect interests of officers of the company required under rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 should be addressed to the company secretary as follows:

C/O Promotion and Development Ltd
8th Floor, Dias Pier,
Le Caudan Waterfront,
Port Louis;
Tel. 211 9430
Email: corporate@promotionanddevelopment.com

Shareholding profile

Excelsior United Development Companies Limited is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius Ltd with an issued and fully paid-up share capital of MRS6,072,662.60 consisting of 121,453,252 ordinary shares of no par value.

On December 30th 2021, the shareholders approved :

- ~ The conversion of the existing 121,453,252 shares of MRS1.00 each into 121,453,252 shares of no par value;
- ~ The reduction in stated capital from MRS121,453,252 to MRS6,072,662.60, such that the new stated capital of the company stood at MRS6,072,662.60 consisting of 121,453,252 shares of no par value; and
- ~ The elimination of the share premium account amounting to MRS13,830,277.

Such reduction in capital was settled by way of a capital repayment of MRs1.30 per share on February 8th 2022 for a total amount of MRs157,889,227.60 with the difference of MRs28,678,361.20 taken out of the retained earnings.

Although there is no ultimate holding company in the capital structure, Promotion and Development Ltd is the largest shareholder of the company, holding together with its 100 per cent subsidiary The Commercial Holding Company Limited, 26.02 per cent of the share capital as at June 30th 2022.

Mrs Jocelyne Martin is a director of both Promotion and Development Ltd and The Commercial Holding Company Limited.

The company's share ownership spread, shareholder category profile and substantial shareholders as at June 30th 2022 were as follows:

Size of shareholding	Number of shareholders	Number of shares held	% Holding
1 - 500 shares	681	125,889	0.1037
501 - 1,000 shares	264	199,449	0.1642
1,001 - 5,000 shares	611	1,599,235	1.3167
5,001 - 10,000 shares	221	1,601,556	1.3187
10,001 - 50,000 shares	408	9,146,294	7.5307
50,001 - 100,000 shares	109	7,478,145	6.1572
100,001 - 250,000 shares	72	11,609,710	9.5590
250,001 - 500,000 shares	33	11,406,601	9.3918
Above 500,001 shares	26	78,286,373	64.4580
Total	2,425	121,453,252	100.00

Category

Individuals	2,082	61,154,681	50.3524
Insurance/Assurance Companies	8	3,857,144	3.1758
Investment/Trust Companies	45	32,748,949	26.9642
Pensions/Provident Funds	21	3,175,026	2.6142
Other Corporate Bodies	269	20,517,452	16.8933
Total	2,425	121,453,252	100.00

Shareholdings over 5%	Number of shares held	% Holding
Promotion and Development Ltd *	31,601,749	26.02
Mr Pierre Doger de Spéville **	18,339,290	15.10

* The shareholding of Promotion and Development Ltd is inclusive of that of its 100 per cent subsidiary, The Commercial Holding Company Limited (898,859 shares/0.74%).

** The shareholding of Mr Pierre Doger de Spéville is inclusive of that of his wholly owned société, Sperry & Cie (7,000,000 shares/5.76%).

The number of shareholders given above is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active shareholders as at June 30th 2022 was 2,444.

Shareholders' agreement

There is no shareholders' agreement with regards to the Company.

Dividend policy

Whilst the Board has not determined a formal dividend policy, it endeavours to pay dividends that reflect the company's financial performance, after taking into account the funding requirements of the company's current and forthcoming investment projects.

An interim dividend is usually declared in December and paid in February while a final dividend is declared in June and paid in September.

During the year under review, a final dividend of MRe0.40 per share were declared on June 28th 2022. These were paid on July 28th 2022. No interim dividend was paid during the year under review as a capital repayment of MRs1.30 had been declared in December 2021, which was settled in February 2022.

Cash dividends per share paid over the past five years are set out below:

Financial year	MRs
2018	0.90
2019	1.45*
2020	0.50
2021	0.60
2022	0.40

* During the year ended June 30th 2019*, in addition to cash dividends, EUDCOS distributed to its shareholders by way of a dividend in specie, its investments in the following companies, as follows:

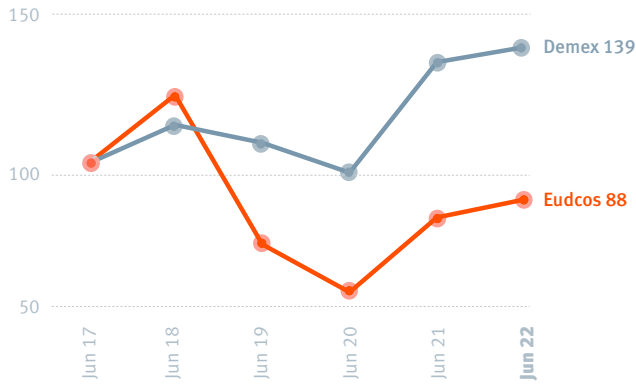
- ~ 0.0167 share of Innodis Ltd
- ~ 0.0059 share of Livestock Feed Limited (ordinary)
- ~ 0.0001 share of Livestock Feed Limited (preference)
- ~ 0.0097 share of MCB Group Limited
- ~ 0.0012 share of MFD Group Limited
- ~ 0.0247 share of New Mauritius Hotels Limited (ordinary)
- ~ 0.0082 share of New Mauritius Hotels Limited (preference)
- ~ 0.0021 share of Promotion and Development Ltd
- ~ 0.0031 share of The United Basalt Products Limited

for each share held in the company.

Calendar of events

Events	Date
Balance Sheet Date	30th June
Last Annual Meeting of Shareholders	December 2021
Capital repayment	
~ Declaration	December 2021
~ Payment	February 2022
Dividend 2021-2022	
~ Declaration	June 2022
~ Payment	July 2022
Publication of first-quarter results	November 2021
Publication of half-year results	February 2022
Publication of third-quarter results	May 2022
Publication of end-of-year results	September 2022
Publication of Annual Report 2021-2022	December 2022
Forthcoming Annual Meeting of Shareholders	December 2022

Share price performance vs Demex over the past five years



(Base year, June 2017=100)

Employee share option scheme

There is no share option plan in place within the group.

Signed on behalf of the Board of Directors by:

René Leclézio
Chairperson

Thomas Doger de Spéville
Director

September 22nd 2022