

STATEMENT OF COMPLIANCE – YEAR ENDED 30 JUNE 2022

STATEMENT OF COMPLIANCE

Name of Public Interest Entity: PANAGORA MARKETING COMPANY LIMITED

Reporting Period: 1 JULY 2021 TO 30 JUNE 2022

We, the Directors of **PANAGORA MARKETING COMPANY LIMITED**, confirm that to the best of our knowledge, throughout the financial year ended 30 June 2022, **PANAGORA MARKETING COMPANY LIMITED** has complied with the Corporate Governance Code for Mauritius except for the following:

(a) Composition of the Board

There is no executive director on the Board of Panagora Marketing Company Limited. However, the Board believes that the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the Code.

Furthermore, at 30 June 2022, there was no independent director on the Board of Panagora Marketing Company Limited. Despite this fact, the Members of the Board are satisfied that it is well balanced based on the fact that the directors have the necessary skills, experience and knowledge of the organisation to discharge their responsibilities towards the Company and its shareholders effectively.

(b) Composition of the Audit and Risk Committee

Since there are no independent directors sitting on the Audit and Risk Committee of the Company, the Chairperson of the Committee is a non-executive director. The Board has designated the Chairman of the Audit and Risk Committee on account of his experience and skills.

Furthermore, during the financial year under review, one of the members of the Audit and Risk Committee was not a director of the Company and was co-opted on the Committee on account of her financial expertise and knowledge of the operations of the Company.

Explanation as to how these principles have been applied are provided in the Corporate Governance Report of the Company at 30 June 2022.

SIGNED BY:

Cédric de Spéville
Chairman

[]
Director

Date: 6 October 2022

1. SHAREHOLDING STRUCTURE

- At 30 June 2022, Panagora Marketing Company Limited was a wholly-owned subsidiary of Management and Development Company Limited.
- The company’s ultimate beneficial owner is Mr. Pierre Elysée Michel Doger de Spéville.

1.1 Shareholders’ Agreements affecting Governance of the Board

- There are no shareholders’ agreements that affect the governance of the Company.

1.2 Annual Meeting

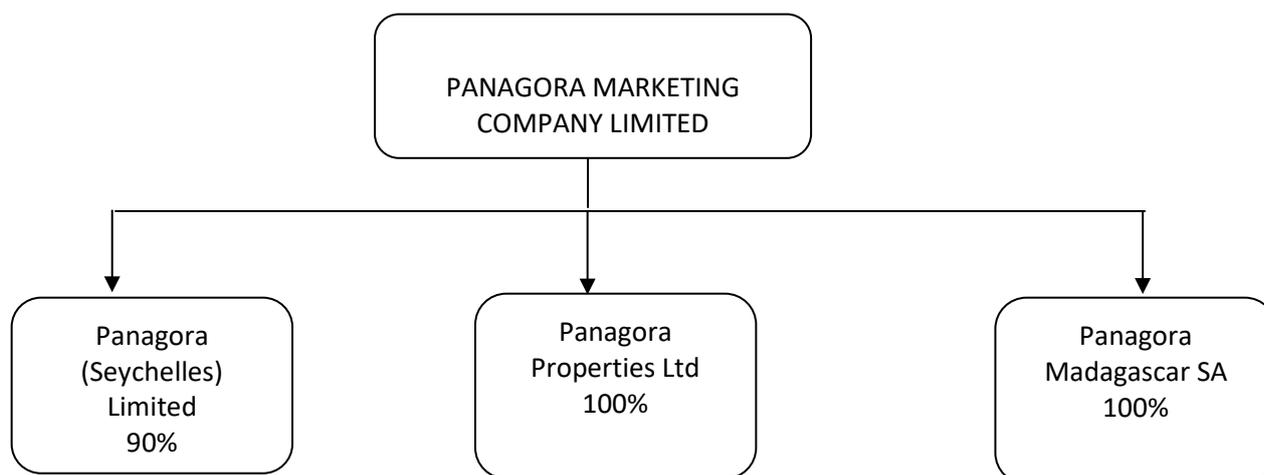
- Panagora Marketing Company Limited (“Panagora”) being a private company and having as sole shareholder Management and Development Company Limited, all matters that require shareholders’ approval are approved through a written resolution in lieu of an Annual or Special Meeting, as per the requirements of the Companies Act 2001.

2. CONSTITUTION

- The Constitution of the Company, which was adopted on 6 March 2019, is in line with the Companies Act 2001.

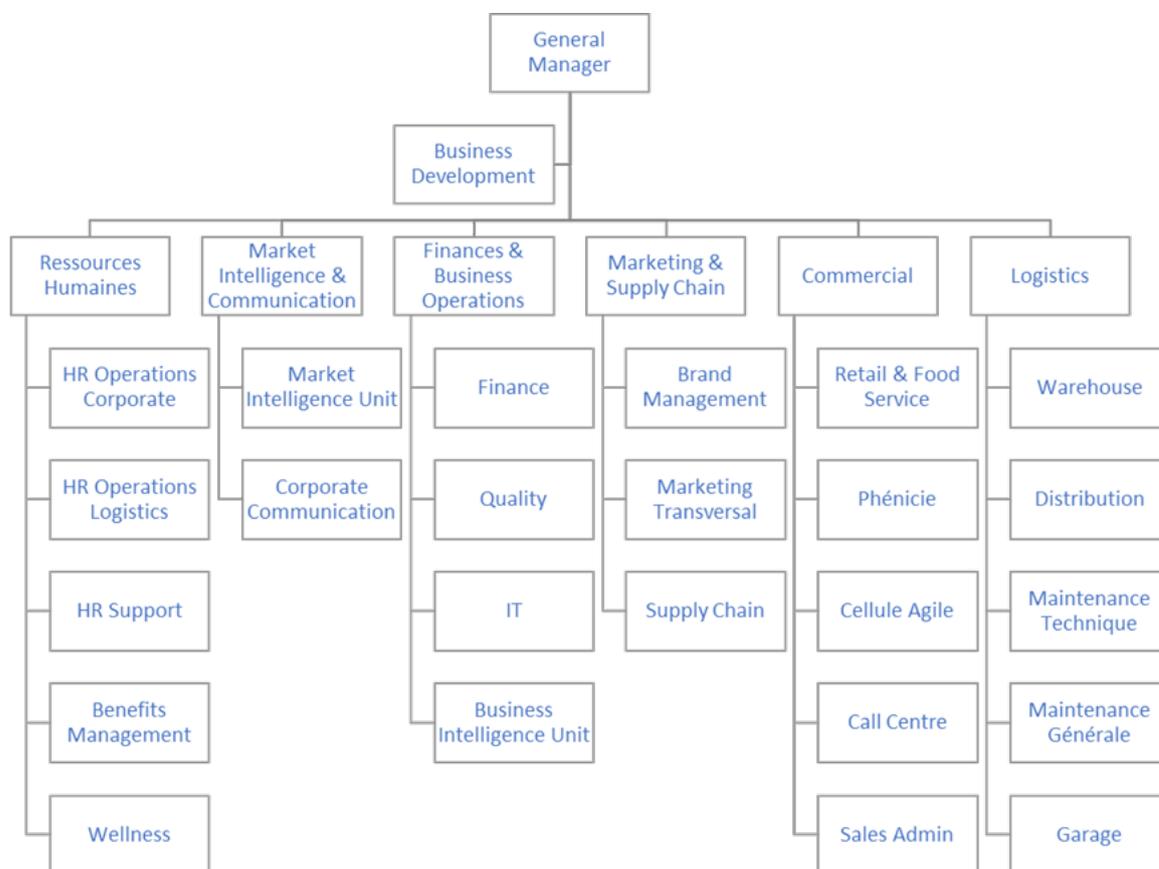
3. THE GROUP STRUCTURE

- The structure of the Panagora Group at 30 June 2022 was as follows:



4. THE ORGANISATIONAL STRUCTURE

- The organizational structure of Panagora Marketing Company Limited is as follows :



- The profiles of the senior management of Panagora Marketing Company Limited at 30 June 2022 were:

Junaid Muslun
General Manager

Mr. Junaid Muslun is a Fellow of the Association of Chartered Certified Accountant (FCCA) and holds an MBA in Management Strategy & Marketing and also an MSc in Information Technology.

He joined the Eclosia Group in July 2000, as Finance Manager at Pick 'N' Eat Ltd, and was appointed General Manager in 2006. Mr. Muslun was appointed thereafter appointed Executive Director of the Pick N Eat on January 14, 2014 until July 2021 when he joined Panagora as General Manager.

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Yannick Merven Chief Finance Officer	He completed his studies in Paris between years 1997 to 2002. He holds a DUT in “Gestion des Entreprises” and Business Administration (Finance/Accounting) respectively, along with a Master Degree in Accounting and Finance (DECF). In year 2003, he joined Panagora as a Management Controller for the logistics division. After having assumed the role of Project Manager for the implementation of ERP (Sage in 2006/AX between 2009 and 2011), he now supervises the Corporate Division, namely IT, Supply Chain, Quality and Finance. He has had extensive vacation work experience in various environments which has enabled him to know in detail the processes of Panagora. Since April 2016, he has been appointed Chief Finance Officer.
Jason Maulette Head of Human Resources	After obtaining a Degree in Human Resources Management at the University of Mauritius in 2011, Jason started his career at Harel Mallac’s corporate office where he undertook several projects like implementation of HR and Remuneration strategies. His career over the last 10 years spans very diverse sectors such as Information Technology, Communication & Outsourcing. He joined Panagora Marketing in 2015 as HR Coordinator and was promoted to HR Executive in July 2021. He is the Head of Human Resources since March 2022.
Anjina Saddul-Tulsidas Head of Marketing & Supply Chain	Anjina Saddul-Tulsidas joined the Eclasia Group in 2006 following her tertiary studies in the UK where she obtained a Bachelor of Science (Hons) in Psychology with Nutrition from the University of Wales in 2003 and a Master of Science in Public Health Nutrition from the University of London in 2005. She worked at Livestock Feed Limited as a Technical and Commercial Manager (Aqua & Extrusion Division) while further studying Marketing with the Chartered Institute of Marketing UK to gain accreditation as a Chartered Marketer. She joined Panagora in 2009 as the Marketing Manager (Group products) and has since completed a MBA with Paris-Dauphine University and the Sorbonne Graduate Business School to pursue her professional development. She was promoted to Head of Marketing and Supply Chain in October 2019.
Arnaud Huck Head of Commercial	Arnaud has degrees in Management and Food & Beverages Management from the CNAM in Rennes and Bocconi University. His career began in 2000 in the Alsace region, working for Coop. He was hired in 2007 by E.Leclerc, a major retailer group in France, as Supermarket Director managing outlets of up to 1500 m ² , and specialized himself in the sourcing and selling of fresh, local products and innovative retail projects. During his career with E.Leclerc, he held several management level positions, most recently as Hypermarket Director supervising the construction and set up of a new

	<p>outlet. He joined Panagora in September 2018 as “Responsible Projet” and was promoted to Commercial Manager in July 2019.</p>
<p>Julien Fleurot Business Development Manager</p>	<p>Obtained a Bachelor of Social Science from University of Natal in South Africa in 1995. Worked at Pharmacie Nouvelle Limited from 1999 to 2010, where he occupied the position of Sales & Marketing Manager FMCG from 2006 to 2008 and was appointed Department Manager FMCG in 2008. He joined Panagora in July 2010 as Commercial manager. He was appointed as Business Development Manager as from July 2019.</p>
<p>Joel Bathfield Head of Logistics</p>	<p>Joel Bathfield completed in 1995 a diploma in Marketing Management (IMM) from the Institute of Marketing and Management in South Africa. He worked for Coin de Mire Exports in South Africa as export coordinator from 1994 to 1996. He started his employment in Mauritius as sales executive at Versatech Ltd (1996-1999) and Raffray Brothers Co Ltd (1999-2001). He was employed as project manager in 2001 at Gaz Carbonique Ltd and was appointed as Commercial Manager in 2010 before joining Panagora Marketing in August 2017 as manager of the logistic division.</p>

- The above managers and other senior officers do not hold shares in the Company.
- A formal process of succession planning is in place through the “Talent Management” program which has been adopted across the Eclasia Group.
- Furthermore, an annual “Employee Development Plan & Succession Planning” exercise is done with all the Head of Departments to identify potential successors for key positions.

5. THE GOVERNANCE STRUCTURE

- Panagora Marketing Company Limited (“Panagora”) is a private company and is classified as a Public Interest Entity as per the requirements of the Code of Corporate Governance.
- The Board of the company assumes responsibility for leading and controlling the organisation and for meeting all legal and regulatory requirements. In addition, it ensures that the company adheres to the principles of good governance.
- In that respect, a board charter and a directors’ code of ethics have been adopted by the Board to ensure that the values of the company also form an integral part of its governance. The board charter and the directors’ code of ethics are available for consultation on the company’s website and are reviewed as and when required and, in any case, at least every five years.
- Furthermore, all the employees of the company adhere to the code of ethics of the Eclasia Group, of which Panagora forms part, which code reiterates the strong moral values which are an integral part of the Group’s spirit.

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- Along with its vision and mission, the company promotes values such as integrity, dignity, quality, engagement and entrepreneurship. The Group Credo is communicated in the company's induction and signed by all the employees.
- At Panagora and in the Eclasia Group in general, we believe that the most important part of working together is to give the opportunity to employees to express themselves and interact with the management on a daily basis. Different sharing platforms are in place to encourage interaction between management and employees:
 - Conseil d'entreprise (Operation and Admin & Support)
 - Comité de Section for each department
 - 1 to 1 meeting with the General Manager
- In addition, there are several forums where employees sit in committees such as Focus Group post engagement survey, discussions regarding the Staff Party, Uniforms and welfare at the company.
- Moreover, employees are required to report any suspected fraud and should report their suspicions to any of the following persons: (a) his Head of Department (ii) the Finance Management, (iii) the Chief Finance Officer or (iv) the General Manager. An anti-fraud policy has been adopted to ensure reporting of such frauds.
- Management recognises that the decision to report a suspicion can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. Panagora in accordance with its Human Resource Policies does not tolerate harassment or victimization and shall take all practical steps to protect those who raise an issue in good faith.
- The stakeholders of the Company are also involved in a dialogue on the organizational position, performance and outlook and management ensures that the Company responds to their reasonable expectations and interests. In that respect, the following steps are taken:

(a) Suppliers

The company keeps a register of suppliers for products and services it purchases. The suppliers are constantly evaluated on the quality of product delivered and the service they supply. The evaluation exercise allows the company to determine its preferred supplier.

The company favors competitive bidding between the preferred suppliers to ensure that it gets the best product at the most competitive price. However, potential suppliers who are not on the preferred suppliers list are invited to quote, on an ad hoc basis.

In the case of international suppliers whose products the company represents, a service contract gives the company exclusive rights to market, sell and distribute the supplier's brands in Mauritius. Both international suppliers and local suppliers are regularly informed of their brand's performances and are able to influence marketing strategies to a degree through dedicated forums.

(b) Employees

The satisfaction level of employees is evaluated every 2 years through an engagement survey. The result of this survey is analysed in focus groups consisting of representatives of employees and an improvement action plan is thereafter put in place.

With specific regards to employees falling in the worker category, a three-year collective agreement is negotiated between the Company, its employees and the employees' syndicate.

(c) Clients & Consumers

A customer survey exercise is carried out by an independent organization every year. The results of the survey is thereafter analysed and communicated to all employees.

Consumers mainly interact with the company through our brands' social media or, in some cases, focus groups.

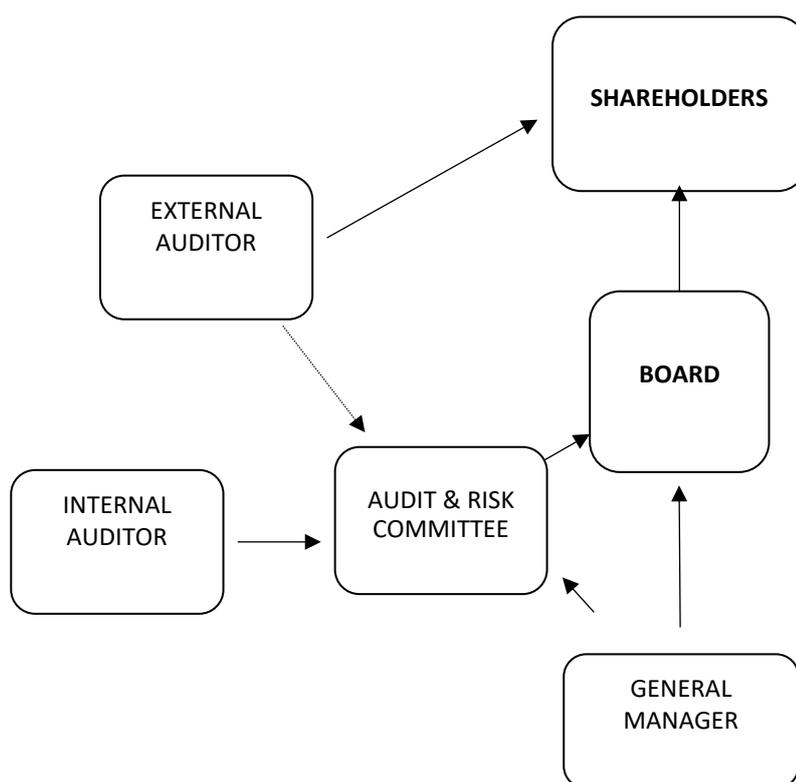
Furthermore, there is a procedure to record complaints for both consumers and clients with a specific team dedicated to following-through on issues and identifying, when possible, root causes.

(d) Public Bodies

Panagora complies with all legal and normative rules put forth by public bodies. The company constantly monitors any updates in the relevant legal framework and undertakes appropriate action to ensure compliance with the law at all times.

5.1 Statement of accountabilities

- The Chairman of the Audit and Risk Committee reports to the Board on the deliberations of his Committee, and as and when necessary, makes recommendations to the Board.
- The General Manager, who attends board meetings, report on the operations and management of the Company to the Board.



- The organisational structure of the company is on page 2(b).

6. THE BOARD STRUCTURE

6.1 The Board

- The Board, as the governing body, fully understands its role, responsibility and authority in setting out the strategy and monitoring the performance of the Company.
- The Company is headed by a unitary Board consisting at 30 June 2022 of six members. The Members of the Board are satisfied that:
 - (i) the Board is of an appropriate size, taking into account the organisation's turnover and its sector of activity;
 - (ii) the Board is well balanced based on the skills, experience, knowledge of the organisation and, in the case of independent directors, independence of mind, to allow the directors to discharge their responsibilities towards the company and its shareholders effectively.
 - (iii) although there is only one executive director on the Board, the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the Code.
- The Chairperson and the General Manager have regular meetings to discuss matters of the company and the Board is satisfied that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.

CORPORATE GOVERNANCE REPORT – YEAR ENDED 30 June 2022

- The role and duties of the Chairperson are set out in a Position Statement which has been adopted by the Board of the company.

6.2 The Board composition

- At 30 June 2022, the composition of the Board and the interests of the directors in the company were as follows:

No	Directors	Executive	Non-Executive	Independent	Non-Independent	Resident in Mauritius	Direct Shareholding in PANAGORA MARKETING COMPANY LIMITED	Indirect Shareholding in PANAGORA MARKETING COMPANY LIMITED	Directorship in Listed Companies
							Ord %	Ord %	
1	Michel de Spéville, C.B.E.	-	✓	-	✓	✓	-	58.70	3
2	Gérard Boullé	-	✓	-	✓	✓	-	-	1
3	Cédric de Spéville	-	✓	-	✓	✓	-	0.74	4
4	Gilbert Espitalier-Noël	-	✓	-	✓	✓	-	2.55	7
5	Cédric Lagesse	-	✓	-	✓	✓	-	-	-
6	Pierre-Yves Pougnet	-	✓	-	✓	✓	-	-	4
Alternate Director									
7	Noël Eynaud	-	✓	-	✓	✓	-	-	-

- The Board acknowledges that gender diversity is recommended by the Code of Corporate Governance and recognises the positive impact of gender diversity on Board deliberations. This will be taken into consideration for future appointment of directors.

- Below were the profiles of the directors of the company at 30 June 2022:

1 Cédric de Spéville (Chairperson)

Obtained a “Maîtrise en économie” from the University of Paris I Panthéon Sorbonne in 2001. He also completed an MSc in Accounting and Finance at the London School of Economics in 2003 and obtained a Masters in Business Administration from Columbia Business School in 2007. He was Consultant for COFINTER in Paris from 2002 to 2003 and joined the Eclasia Group in 2003. In January

2013, Cédric de Spéville was appointed Group Chief Executive Officer. He is a director of various companies of the Eclasia Group, a former President of the Mauritius Chamber of Commerce and Industry, a former President of Business Mauritius as well as a former Member of the Economic Development Board of Mauritius.

Directorships in listed companies: Oceanarium (Mauritius) Ltd, Livestock Feed Limited, Les Moulins de la Concorde Ltée, Tropical Paradise Co. Ltd and Mauritius Freeport Development Co Ltd.

2 Gérard Boullé

Gérard Boullé is holder of a “Maîtrise de Gestion” from the University of Paris IX Dauphine in France and is presently the Chief Operating Officer (C.O.O), Food Industry of the Eclasia Group of Companies. Mr Boullé is a former President of the Association of Mauritian Manufacturers and is also Member of the Board of several companies of the Eclasia Group.

Directorship in listed companies: Livestock Feed Limited and Oceanarium (Mauritius) Ltd.

3 Michel de Spéville, C.B.E

Founder President of the Eclasia Group. Founder and Senator of the “Jeune Chambre Economique de l’Ile Maurice”. Elevated to the rank of “Commander of the Order of the British Empire” (C.B.E). Honorary Citizen of Moka-Flacq District of Mauritius. “Honorary Fellow Agribusiness”, University of Mauritius. Elevated to the rank of “Chevalier de l’Ordre de Mérite de Madagascar”. Elevated to the rank of “Chevalier de la Légion d’Honneur de France”. Chairman and Member of the Board of various companies of the Eclasia Group. A former President of the Mauritius Chamber of Commerce & Industry and a former President of “L’Institut de la Francophonie pour l’Entrepreneuriat” (IFE).

Directorships in listed companies: Oceanarium (Mauritius) Ltd, Livestock Feed Limited, Les Moulins de la Concorde Ltée and Tropical Paradise Co. Ltd.

4 Cédric Lagesse

Born in 1970, Mr. Lagesse holds a degree in law and a Master degree in International Trade. He had a rich career in the logistics sector before he resigned as Chief Executive Officer of Freight and Transit Company Limited on 01 September 2011 to join the Food & Allied Group as Projects Director. He was appointed General Manager of Panagora in April 2014 and as its Managing Director in August 2014. He held office as Managing Director until July 2021 where he was appointed as Chief Operating Officer of the Eclasia group.

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5 Gilbert Espitalier-Noël

Holds an MBA from INSEAD Fontainebleau, France. He is the CEO of New Mauritius Hotels Ltd. He was appointed to the Board of Panagora Marketing Company Limited on 16 September 2009.

Directorship in other listed companies: Livestock Feed Limited, ENL Limited, New Mauritius Hotels Ltd and Rogers & Co Ltd.

6 Pierre-Yves Pougnet

Pierre-Yves Pougnet is an accountant by profession. He started his career with an audit firm. In 1975 he joined the Eclasia Group where he occupied executive functions, amongst which, Managing Director of Panagora Marketing and subsequently Managing Director of Food & Allied Industries Ltd (now Avipro Co Ltd). He was the Vice Chairman of the Eclasia Group when he retired in 2015.

Directorship in listed companies: Livestock Feed Limited, P.O.L.I.C.Y. Limited, Tropical Paradise Co. Ltd and Les Moulins de la Concorde Ltée.

ALTERNATE DIRECTOR**1 Noël Eynaud (alternate to Mr Michel de Spéville)**

Accountant by profession, he was appointed to the Board of Panagora on 31 March 2010 as alternate director to Mr Michel de Spéville. Mr Eynaud is alternate director on the boards of Les Moulins de La Concorde Ltée, Livestock Feed Ltd and Tropical Paradise Co Ltd and is a board member of Avipro Co Ltd.

6.3 Common Directors

- The names of the common directors within the holding structure are:

DIRECTORS	Panagora	MADCO
Michel de Spéville , C.B.E.	✓	✓
Gérard Boullé	✓	-
Cédric de Spéville (Chairperson)	✓	✓
Gilbert Espitalier-Noël	✓	-
Cédric Lagesse	✓	-
Pierre-Yves Pougnet	✓	✓
Noël Eynaud (Alternate to Chairman)	✓	-

6.4 Directors' dealings in securities of the company.

- None of the directors of the Company hold shares directly in the company.
- Except for three directors who jointly have 62 % indirect interest in the shares of the Company, none of the other directors have indirect interest in the shares of the Company.

6.5 The Company Secretary

- The representatives of the Company Secretary, Eclasia Secretarial Services Ltd, are Associates of the Chartered Institutes of Secretaries, UK. They complete a minimum of twenty hours on training and skill development annually as required by the Institute.
- The Company Secretary has access to Board Members and has been assigned the task of applying and implementing the principles of the Code by the Board.
- The duties of the Company Secretary has been set out in terms of reference which have been adopted by the Board. The said terms of reference is available for consultation on the company's website.

6.6 Board committees

6.6.1 The Audit and Risk Committee

- The roles and responsibilities of the Audit and Risk Committee are set out in its terms of reference and are in summary:
 - To assist the Board in fulfilling its supervisory responsibilities.
 - To review the financial reporting process, the system of internal control and assessment of business and financial risks, the internal audit process and the external audit process.
 - To monitor compliance with laws and regulations as well as Board policies and Board decisions. In performing its duties, the Committee maintains effective working relationships with the Board of Directors, Management, as well as the Internal and External Auditors;
 - To review regularly the risks register and ensure through internal audit reports that the identified risks are monitored and reviewed on a regular basis.
 - To submit recommendations to the Board (for consideration and acceptance by shareholders) for the appointment and remunerations of the External Auditors.
- The terms of reference of the Audit and Risk Committee are available for consultation on the company's website. Those terms and reference are reviewed as and when required and, in any case, at least every five years.
- The composition of the Audit and Risk Committee at 30 June 2022 was as follows:

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Name	Status	Qualification
Mr. Pierre-Yves Pougnet	Chairperson	Non-executive director
Mr. Gilbert Espitalier-Noël	Member	Non-executive director
Mr. Noël Eynaud	Member	Non-executive (alternate)director
Mrs. Diane Lacide	Member	Co-opted
Eclosia Secretarial Services Ltd	Secretary	-

- Mrs Diane Lacide, the co-opted member, is an accountant by profession and part-qualified ACCA. She joined Eclosia Group in 1987 and worked at Panagora Marketing Company Limited, Tropical Paradise Co Ltd, Indigo Hotels & Resorts Ltd. She joined Les Moulins de la Concorde Ltée in 2009 where she is still in position to date.
- The committee met three times during the year under review and confirms that it has discharged its responsibilities for the year in compliance with the above terms of reference.

6.7 Attendance to Board and committee meetings

- The attendance of the Directors and Committee Members for the financial year ended 30 June 2022 was as follows:

		Board Attendance 3 Meetings	Audit & Risk Committee Attendance 3 Meetings
Directors			
1	Michel de Spéville, C.B.E.	2/3	-
2	Gérard Boullé	2/3	-
3	Cédric de Spéville	3/3	-
4	Cédric Lagesse	3/3	-
5	Gilbert Espitalier-Noël	3/3	2/3
6	Pierre-Yves Pougnet	3/3	3/3
Alternate			
1	Noël Eynaud	-	3/3
Co-opted Member			
1	Diane Lacide*	-	2/3

* Appointed in February 2022

7. DIRECTORS' APPOINTMENT PROCEDURES

7.1 Appointment procedures

- As per the Company's constitution, every year, one third of the directors longest in office retire by rotation and may offer themselves for re-election. These directors, if re-elected, have a three-year term after which they may once again stand for re-election.

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- Moreover, according to the company's constitution, in cases of casual vacancies, the Board can appoint someone to serve as director of the company until the next Annual Meeting, where his election will be ratified.
- Appointment of directors on the Board of the Company are done according to the provisions of the Constitution.
- A letter of appointment for non-executive directors has also been approved by the Board and non-executive directors are required to sign the said letter as soon as they are appointed to the Board.

7.2 Induction and orientation

- The company has a formal induction process. Upon a director's appointment, the latter receives an induction and orientation programme where he is invited to visit the company and familiarize with its operations. The director also receives, through an induction pack, copies of minutes of the three last board meetings held prior to his appointment, the past three financial statements, the mission statement of the company and relevant legislations which shall enable him to know the duties and obligations of being a director.
- The responsibility of the induction process lies with the Chairperson of the Board.

7.3 Professional development

- The company provides the opportunity to its directors to develop their knowledge and skills through workshops and development programmes.

7.4 Succession planning

- In order to keep a balance of skills and expertise at the level of the Board, it is the Board's responsibility to review its composition from time to time.

8. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE**8.1 Directors' duties**

- Upon a director's appointment, the relevant legislations pertaining to the legal duties of acting as a director on the Board of the Company are communicated to him through the induction pack.
- In addition, a board charter, setting out all the directors' duties and responsibilities with respect to the board governance, has been adopted by the Board of the company and is available for consultation on the company's website.

8.2 Code of ethics

- A code of ethics for the directors of the Company has been adopted by the Board and is available for consultation on the company's website.
- The said code of ethics provides guidance to the directors in dealing with ethical issues, conflicts of interests and related party transactions.

8.3 Conflicts of interest

- The Company Secretary maintains an interest register for the Members of the Board. It is, however, the responsibility of each director to ensure that any interests be recorded in this register.
- Whenever there is an actual or potential conflict of interest, the director concerned is not present at the part of the meeting in which the conflict or potential conflict is discussed and, therefore, does not debate or vote on the matter
- Specific provisions relating to directors' conflicts of interests and related-party transactions are included in the directors' code of ethics.

8.4 Information, Information Technology and Information Security governance

- The Eclasia Group IT Executive Council ("the GIT"), supported by three sub-committees, is responsible to provide the necessary directions with regards to strategy, infrastructure and operations management in relation to information, communications and technology systems within the Eclasia Group including Panagora.
- An Information Technology Policies and Procedures ("ITPP") manual has been mandated by the GIT to provide guiding principles applicable to the management of IT related processes across Group Companies in order to:
 - (a) Establish responsibility and accountability for the use and maintenance of IT resources of Eclasia.
 - (b) Encourage management and staff to maintain an appropriate level of awareness, knowledge and skill to allow them to leverage IT resources in delivering quality service to the clients.
 - (c) Minimise the impact of IT incidents on service delivery.
 - (d) Protect the business information and any client information within its custody by safeguarding their confidentiality and integrity by maintaining their availability.
- The ITPP manual is reviewed annually by a sub-committee to accommodate process changes and adapt to new technologies.
- Independently, the Group IT Auditor reports to the Audit and Risk Committee of each Group Company about the level of compliance to the ITPP.
- An End User IT Security Policy is remitted to all new recruits and must be adhered to by all employees together with the cybersecurity awareness and eLearning programme.

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- The new Microsoft D365 Enterprise Resource Planning (ERP) System aimed at improving business operations and the decision-making process, has gone “live” at Panagora in September 2021 and will allow enhanced financial and cost controls.
- There are defined restrictions placed over the rights of access to information.
- This robust IT Governance Framework and initiatives proves that Information Management, Information Technology and Information Security is at the heart of Panagora’s operations and that no efforts will be spared to maintain a reliable and secured IT environment.
- A Data Protection Committee was set up to understand, analyze and ensure compliance with the Data Protection Act of 2018. This follows an extensive compliance exercise by external consulting firm BDO in 2019. The full implications of the law at both enterprise-level and employee-level are not entirely clear. Panagora is still in the process of implementing measures such as designing final Data Protection policies.
- Panagora has successfully implemented a new ERP software, as part of Eclasia’s group CAP 20202 project, which began 4 years ago. Following a weeklong transition in September 2021, the core process operations (supply, warehousing, sales and distribution) now all proceed through D364. While the new ERP brings numerous advantages, it has suffered from various issues such as latency. The company’s teams are not yet up to their previous speed, both due to adaptation issues and software related issues that are still being tackled.

8.5 Board information

- Relevant board information are provided to the Board members in a timely manner to enable them to have sufficient time to study the matters that will be discussed at the meetings and make appropriate decisions.
- Where necessary, directors may have access to independent professional advice at the company’s expense, subject to the formal approval of the Chairperson, to enable them to discharge their responsibilities.
- A Directors’ and Officers’ Liability cover is in place for directors and senior officers of the company.

8.6 Board evaluation

- The Board recognizes the significance of a board evaluation exercise and resolved that a board evaluation exercise be carried out on a two-yearly basis.
- A board evaluation was carried out during the financial 2021/2022, internally by way of a questionnaire. Any weakness identified thereafter was addressed by the Board.

8.7 Remuneration

- The fees for Members of the Board and Audit and Risk Committee at 30 June 2022 were as follows:

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Type of meeting	Chairperson		Directors	
	Annual Retainer	Meeting Fee	Annual Retainer	Meeting Fee
	Rs	Rs	Rs	Rs
Board meeting	140,000	15,000	90,000	15,000
Audit and Risk	70,000	10,000	40,000	10,000

- The fees paid to the directors of the company for the financial year ended June 30, 2022 were as follows:

No	Directors	Board Fees Rs	Audit & Risk Committee Fees Rs
1	Michel de Spéville , C.B.E.	120 000	-
2	Gérard Boullé	120 000	-
3	Cédric de Spéville	185 000	-
4	Cédric Lagesse	135,000	-
5	Gilbert Espitalier-Noël	135 000	60,000
7	Pierre-Yves Pougné	135 000	100,000
Alternate			
1	Noël Eynaud	-	70,000

* Appointed in February 2022

- The fees attributable to non-executive directors employed by companies of the Eclasia Group are paid to their respective companies.
- Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the performance of the company.

8.7.1 Statement of Remuneration Philosophy

- A formal statement of Remuneration philosophy had been adopted by Board of the company. The philosophy is to offer a competitive package that will attract, retain and motivate directors and employees of the highest calibre and recognize value-added performance, whilst taking into account its own financial position.
- In that respect, the remuneration offered to each category of jobs within the Company has been benchmarked and aligned with the current market rate.
- Moreover, the directors' fees are also benchmarked on market norms and reviewed on a regular basis by the Board.

8.7.2 Remuneration of the executive directors

- There is no executive director sitting on the Board of the Company.

9. RISK GOVERNANCE AND INTERNAL CONTROL

9.1 Risk governance

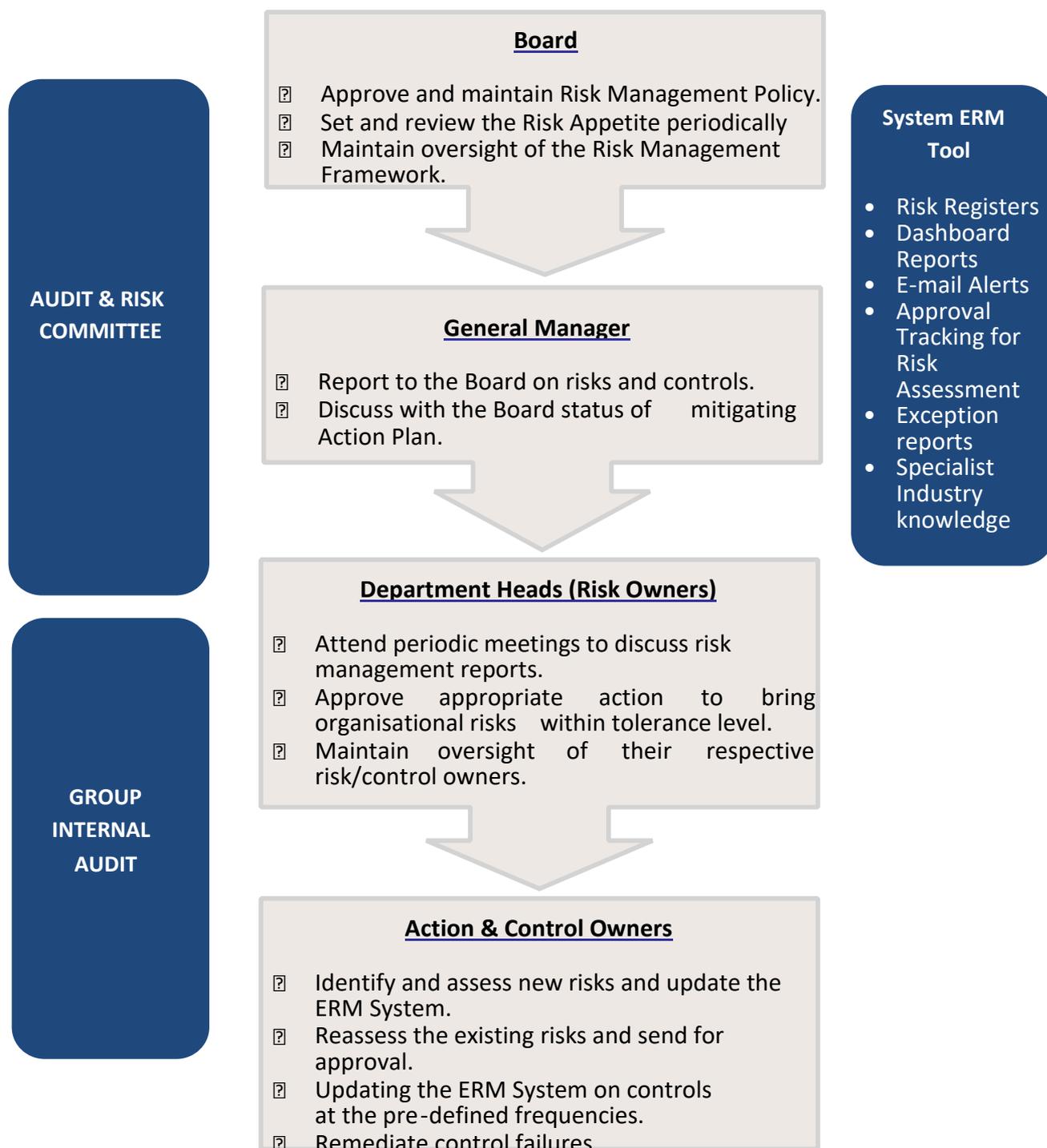
- The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. In that respect, it has entrusted to the Audit and Risk Committee the responsibility to ensure that Management identifies and manages all inherent risks on a regular basis and, amongst other initiatives, keeping a Risk Register.
- In that respect, the management of the company has set up a risk management process to identify and manage its risks and a risk register containing the top 10 risks of the company has been set up and is monitored on a regular basis. The said risks and the risk management process are monitored and evaluated by the Audit and Risk Committee at least once a year.
- The Risk Register, which is updated by Management yearly, under the monitoring of the Audit and Risk Committee, is subdivided into categories namely: financial, reputation, operational, compliance, Health & Safety, Environment, Strategic
- Risks are evaluated according to the likelihood of occurrence and the potential impact on the corporate goals. This methodology helps to prioritise the risk responsiveness. The risks have been divided into 7 categories as follows:

RISK CATEGORY	DESCRIPTIONS
FINANCIAL	The financial risks include liquidity risks and risk associated with interest rates, foreign exchange rates, taxation, capital structure and profitability risk.
REPUTATION	Reputation risks relates to public profile, employee confidence, customer satisfaction, etc.
OPERATIONAL	Operational risks include all processes and sub processes from the time the raw materials are produced / ordered / received, the production process, delivery of products, up to the point of receipt by the customer. It also includes IT downtime.
COMPLIANCE	Compliance include risks related to non-compliance of quality/ government bodies, political decisions, events or conditions of environmental Laws, reporting and disclosure requirements and the code of corporate governance.

HEALTH & SAFETY	Risks associated with all events which can potentially cause injuries / fatalities to Eclasia's workforce, visitors or customers.
ENVIRONMENT	Natural environment risks include all actual or potential threats of adverse effects on the environment by effluents, emissions, wastes, resource depletion, infections etc arising out of Eclasia's activities.
STRATEGIC	Risks that are outside the control of Eclasia Group relating to macro-economic evolution, politics, foreign investments, climatic conditions etc.

9.2 Risk management

- Risk management has a better chance of becoming embedded across an organization if it is operated on the basis of clearly-defined structures and responsibilities. The diagram below represents the company's risk management framework:



- Adequate insurance policy covers have been taken to mitigate these risks where applicable. The Insurance Policies have been established based on the advice of an insurance broker.

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- Financial risks which have been identified as being those which could materially impact the financial performance of the Company are listed in note 3 to the financial statements.
- The Audit & Risk Committee is responsible for monitoring its application and reliability.

9.3 Internal control

- In addition to the review of the company's risks by the Audit and Risk committee, a sound internal control system is in place at the company.
- The Board has entrusted to the Audit and Risk Committee the responsibility to report on the effectiveness of Internal Control.
- In light of the implementation of the process-based approach of the ISO 9001:2015 standard to managing performance, the company has taken care to identify for the risks inherent to each of the 19 company's processes. The company has implemented a clear structure of responsibility to ensure each process is monitored and managed by appropriate users.
- Panagora make use of a Digital Risk Register, designed by BDO to facilitate the monitoring and management of the company's risks. The Risk Register currently only lists the risks identified within the core processes of Panagora, along with the comprehensive lists of controls (pro-active to prevent the risk and reactive to mitigate the risk). This tool allows designated users throughout the core processes to report on their assigned controls at set dates throughout the year. Documented proof is required to validate any control, which ensures an accurate view at any given time of the company's situation.
- In parallel to our risk management policies, the company also has controls in place pertaining to its financial and operational health, most often in the form of key performance indicators. Contrary to the risk controls, these KPIs are designed, followed and maintained by individual departments. Examples include but are not limited to: actual sales figures versus budget, cash flow, gearing ratio, availability of product stocks vs demand, etc. Both appropriate members of the senior management team and the department managers and key figures responsible for the KPIs review these KPIs in dedicated monthly/bi-monthly forums throughout the year.
- The company has finalised a formal Business Continuity Plan ("BCP") in the final quarter of financial year 2020/2021. The BCP builds upon the major risks identified in the risk register and provides scenarios detailing possible causes and likely impacts should these risks materialise. The BCP lists possible contingency plans and procedures to be enacted to mitigate or prevent long-term negative impact to Panagora's ability to operate. With regards learning from Covid-19 crisis, the company also developed more detailed protocols and a simplified Continuity Plan in the event of cases affecting employees.
- Finally, both Eclasia Group's internal auditing services and external auditors regularly audit Panagora. Examples include HACCP and Food Safety audits, supplier audits, IT audits, etc. These audits complement Panagora's controls to ensure an accurate vision of the company's health.

10. AUDIT

10.1 Internal audit

- The company outsources the internal audit function to Eclasia Corporate Services Ltd which has a team of qualified professionals with extensive experience in auditing, fraud examination, risk management, information systems security and governance.
- The Board with the assistance of the Audit and Risk Committee and the Internal Auditor monitors the effectiveness of internal controls.
- The Internal Auditors follow an established system of internal control and policies which ensure that the control objectives are attained.
- The Internal Audit team has an independent appraisal function which reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks.
- Weaknesses identified by the Internal Auditors during their reviews are brought to the attention of Management and the Audit & Risk Committee formally by way of risk rated structured reports. These comprise of the results of the current review together with updates on the corrective actions taken by Management to improve control systems and procedures.
- The Internal Audit Manager attends and reports on his findings at the Audit and Risk committee. Thereafter, the Chairman of the Audit and Risk Committee brings to the Board any material issues requiring special attention of the Directors.
- The purpose, authority and responsibility of the Internal Auditors are formally defined in its Charter.
- The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents as well as inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organisation.
- The objectives of the reviews performed by the Internal Audit function are to give assurance on the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations as well as on the reliability of financial reporting.

10.2 External Auditors

- The external auditors of the company, BDO & Co, have been reconducted to their functions further to a tendering process carried out across the Eclasia group in 2019/2020.
- The Audit and Risk committee reviews the audit plan and fees of the external auditor prior to the yearly audits.

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- The Audit and Risk committee meets once a year with the external auditors to review the company's financial statements, management and representation letter and to assess the effectiveness of the external audit process. The external auditor also has the opportunity to meet the members of the Audit and Risk committee without management presence.
- Furthermore, an assessment of the work and performance of external auditors is carried out yearly both by management and the Audit and Risk committee. The criteria used for such assessment is as follows :
 - Quality of Services provided
 - Sufficiency of Audit Firm and Network Resources
 - Independence, Objectivity and Professional skepticism.
- There were no significant issues identified by the Audit Committee in relation to the last financial statements of the Company.
- The audit fees of the external auditor for the financial year 2021/2022 were Rs. 825,000 compared to Rs 781,000 for 2020/2021. No non-audit fees to the external auditor during the financial year under review.

11. SHARE PRICE

- The company being a private one, its share price is not available.

12. SHARE OPTION PLAN

- The company does not have a Share Option Plan.

13. DIVIDEND POLICY

- The Company has no defined dividend policy as such and pays dividends based on its current profitability and the liquidity requirements of the Company.

14. RELATED PARTY TRANSACTIONS

- Related party transactions are disclosed in note 29 of the accounts and are at arm's length and in the normal course of business.

CORPORATE GOVERNANCE REPORT – YEAR ENDED 30 June 2022

15. CONTRACT OF SIGNIFICANCE WITH A SUBSTANTIAL SHAREHOLDER

- The Company has a management contract with Management and Development Company Limited which covers interalia, strategy, human resources, governance, risk and compliance issues monitored at group level.
- The distribution and sale of products of Avipro Co Ltd and Maurilait Production Limitée are made at arm's length and within the normal course of business.

16. CONTRACT OF SIGNIFICANCE WITH A DIRECTOR

- Except for Mr. Cédric Lagesse who has an undetermined service contract with the Company, none of the other directors have any contract of significance with the company.

17. MANAGEMENT AGREEMENTS

- Panagora Marketing Company Limited has a management contract with Management and Development Company Limited (MADCO) in which five directors have an interest.
- The above contract is remunerated in the form of management fees.

18. MAJOR EVENTS

Event	Month
Approval of Audited Financial Statements	October
Annual Meeting	December
Dividend Declaration	June
Dividend Payment	June

19. DONATIONS

- Donations by the Company for the year under review were:

Details	Rs.
Fondation Solidarité (in addition to 2% CSR)	1,142,700 ,
Food pack donations for various causes (Wakashio volunteers, second lockdown)	148,002
Short sell-by date products donations through Foodwise, for various NGOs	492,000
Total Donations	1,782,702

- Donations consist of both monetary grants and food products given to requestors.

CORPORATE GOVERNANCE REPORT – YEAR ENDED 30 June 2022

- Donations are given in coordination with or by the Sustainability Committee, consisting of volunteers involved in the philanthropic actions of Panagora. Short “sell-by date” products are given in collaboration with the “Cellule Agile” team from the commercial division.
- For the purposes of this report, charitable donations do not include actions classified as marketing sponsorships/donations by either Panagora or its brands, as these actions are more properly classified as advertising expenses.
- Donations do not include the 2% CSR contribution earmarked from our chargeable income.
- No donations to political parties were given during the year under review.

20. CORPORATE SOCIAL RESPONSIBILITY

- In compliance with the current legislation, Panagora Marketing Company Limited has earmarked 2% of its chargeable income for its Corporate Social Responsibility. The funds available for CSR in the financial year ended 30 June 2022 were used to support our Group CSR activities via the ‘Eclasia Fondation Solidarite’ and part of this amount was used directly for our long term ‘Education project’ launched approximately 5 years ago. With support from Caritas, Panagora has identified 3 poverty-stricken families and provides financial and material support for the education of their children. 8 children aged 9 to 17 years old are given school materials (backpacks, uniforms, etc.) and financial support for education related expenses (private lessons, lunch money, transportation).
- In addition to its legal obligations, Panagora also sets aside a budget to finance food donations or food packs to various causes, such as food relief efforts following the devastating Class 4 cyclone in Rodrigues in February.
- As a food distributor, Panagora likewise collaborates with Foodwise Ltd (formerly known as “Manzer Partazer”). Panagora’s logistics team provide food-grade transportation for the weekly food sharing initiative of FoodWise. Our lorry teams collaborate on approximately 10 “zero food waste” partnerships between hotels or QSRs and NGOs, enabled through Foodwise.
- Panagora also channels the donation of short sell-by dates through Foodwise, capitalizing on its network of over 120 NGOs. Approximately 3.5 Tonnes of food products were donated this year, a far cry from the 25Tonnes of 2020 and 10 tonnes of 2021. This diminishing slope actually reflects better procedures in place to prevent food waste. Through the Cellule Agile, product running too close to their sell by dates are channeled to willing clients at discounted prices or to Le Panier, our new on site employee shop. Therefore, there are almost no short sell-by dates products to give this year, as compared to previous years. Finally, Panagora has been a key contributor to the setting up of the Moris Solider program. “Moris Solider” is an initiative by the Association of Mauritius Manufacturers to create an ersatz Food Bank through food distributors and producers. As it stands, Panagora spearheads a collective of companies from Eclasia Group that have agreed to sell their

CORPORATE GOVERNANCE REPORT – YEAR ENDED 30 June 2022

products at cost price. Panagora implements this through Foodwise, who is the project coordinator for AMM. The products are sold to NGOs at this unique price, and therefore they are not considered donations.

- All the activities outlined above form an integral part of our SUSTAINABILITY pillar, one of the 3 pillars under our “Panagora s’engage” initiative, which seeks to encourage activities that embody our company values and key commitments and to foster, and acknowledge greater employee involvement in these activities.

21. ENVIRONMENT

- Panagora is part of Ecosia Group, which views taking care of our planet as part of its core performance drivers. Our main environmental impact derives from our logistics activities, in particular the energy consumption for our chilled and frozen warehouses and the fuel consumption of our delivery trucks.
- Our Logistics platform at Valentina was designed with the idea of compensating these impacts as much as possible. The solar panels installed on the platform’s rooftop were able to compensate for 13 % of our total electricity consumption for the year under review, a far cry from the original target of 18%. Upon further analysis, the installed solar capacity is unable to compensate fully for the increased consumption linked to the arrival of the OVA team at Valentina. A project will be launched in FY23 to increase the stated capacity. Panagora has also invested for the first time ever in an electric delivery vehicle. The EV is operated by the sales team and mainly used to deliver products outside of our regular schedule (ODS). A review of its performance is due in December 2022.
- All activities linked to the environment form an integral part of our SUSTAINABILITY pillar, one of the 3 pillars under our “Panagora s’engage” initiative, which seeks to encourage activities that embody our company values and key commitments, foster, and acknowledge greater employee involvement in these activities.

22. HUMAN RESOURCES

- Our Human Resources team has evolved with the promotion of Jason Maulette to Head of Human Resources, following the departure of Geerish Hookoomsing to a new post. The HR Team has partly being reorganised to include a Wellness pole which includes Health & Safety, the Arts, Culture and Sports activities as well as counselling through the Group’s in-house counsellor. A new Health & Safety officer was recruited to replace the previous incumbent.
- For the second year, almost none of the usual sports and cultural activities were permitted under government regulations. Our ACS Team nonetheless succeeded in organising several activities, such as the annual outdoor hike.

- All activities linked to sports and culture form an integral part of our BETTER LIVES pillar, one of the 3 pillars under our “Panagora s’engage” initiative, which seeks to encourage activities that embody our company values and key commitments and foster and acknowledge greater employee involvement in these activities. The BETTER LIVES pillar in particular strives to encourage balance, both between work and extra-curricular activities and in the workplace through health & wellness initiatives.

23. HEALTH & SAFETY

- Panagora conducts on-the-job trainings for new employees to transmit both company approved safety procedures and best practices to ensure a safe working environment. The latter has become particularly important in the past years given the hours spent working on computers and laptops (exposure to blue light, posture etc). Aside from these regular trainings, the company’s Health & Safety officer also organises job-specific trainings in collaboration with the HR Department, such as warehouse safety, machine safety trainings, fire warden, first aid, working at heights, electrical safety procedures and ammonia safety procedures.
- Panagora has retained the services of an Occupational Health Doctor who is responsible to conduct on-going health surveillance to the operatives and avoid any work related injuries or sicknesses. Any diseases detected are referred to further health test
- The Health & Safety activities form part of the BETTER LIVES pillar, one of the 3 pillars under our “Panagora s’engage” initiative, which seeks to encourage activities that embody our company values and key commitments, and foster and acknowledge greater employee involvement in these activities. The BETTER LIVES pillar in particular strives to encourage balance, both between work and extra-curricular activities and in the workplace through health & wellness initiatives

SANDRINE MOUSSA
ECLOSIA SECRETARIAL SERVICES LTD
SECRETARY

Date: 6 October 2022

STATEMENT OF DIRECTORS RESPONSIBILITIES WITH RESPECT TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for:

- (i) Adequate accounting records and maintenance of effective internal control systems;
- (ii) The preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act 2001;
- (iii) The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The report of the external auditors confirming that the financial statements are fairly presented is on page 4.

The Directors report that:

- (i) Adequate accounting records and an effective system of internal controls and risks management have been maintained;
- (ii) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been consistently used;
- (iii) International Financial Reporting and Accounting standards have been adhered to. Any departure from fair presentation has been disclosed, explained and quantified;
- (iv) All the principles of the Code of Corporate Governance for Mauritius (2016) have been complied with and explanations provided as to how they have been applied;
- (v) They consider that the corporate governance report and accounts, which are published in full on the company's website, taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the company's position, performance and outlook.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's systems of control. The systems have been designed to provide the directors with reasonable assurance that assets are safeguarded, that transactions are authorized and properly recorded and that there are no material errors and irregularities.

An internal audit system is in place to assist management in the effective discharge of its responsibilities, and it is independent of management and reports to the Audit and Risk Committee.

RISK MANAGEMENT

The Directors acknowledge their overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Company's assets and shareholders' interests.

The Board accepts overall responsibility for risk management. Through the Audit and Risk Committee, the Directors are made aware of the risks areas which affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.

Cédric de Spéville

Chairperson

Date: 6 October 2022

Director