

# Corporate Governance





# Corporate Governance

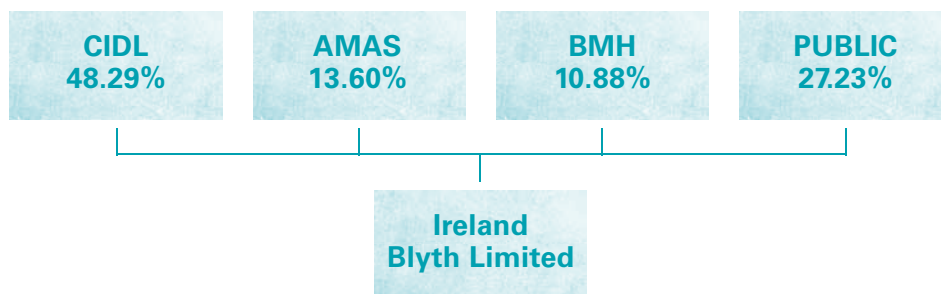
Ireland Blyth Limited was incorporated in 1972 and admitted on the Official List of the Stock Exchange of Mauritius in 1994.

The Company is engaged in a wide range of activities from financial services, fish storage and processing to mechanical and electrical engineering, logistics, aviation, shipping operations, the distribution of consumer goods and durables and a chain of supermarkets. These activities are organized into four main sectors, namely: 1) Financial Services, 2) Logistics, Engineering & Commerce, 3) Retail, and 4) Seafood & Marine.

The Company is committed to high standards of corporate governance with the Board being accountable to the shareholders for good governance. The Board of Directors recognizes that the Report on Corporate Governance (the Code) is regarded as best practice and therefore uses its best endeavours to ensure compliance with the provisions set out in the Code.

## Shareholding

The share capital of the Company consists of 71,438,333 ordinary shares of nominal value Rs10 each.



The list of subsidiaries of Ireland Blyth Limited is found on pages 97 to 99.

The shareholders holding more than 5% of the ordinary shares of the Company at 30 June 2010 were:

Compagnie d'Investissement et de Développement Ltée (CIDL)	48.29%
The Anglo-Mauritius Assurance Society Ltd (AMAS)	13.60%
Belle Mare Holding Ltd (BMH)	10.88%

### Common Directors

The names of the common Directors within the holding structure are:

	CIDL	AMAS	BMH
LAGESSE, Arnaud	A		
LAGESSE, J. Cyril	•	•	
LAGESSE, Thierry	•	•	
RIBET, Jean			•
RIVALLAND, Louis		•	•

A: Alternate Director

### Dividend Policy

Subject to the satisfaction of the solvency test and to the Company’s requirements in relation to working capital and capital expenditure, the Board would declare and pay dividends equal to at least thirty percent (30%) of the Group Attributable Earnings excluding exceptional items in each of its financial years, to be paid in two instalments (interim in December and final in June).

### Board, Directors and Committees

The Board consists of 11 Directors, 2 of whom are executives.

The roles of the Chairman and that of the Chief Executive are separate. The Chairman has no executive or management responsibilities and acts as Chairman of meetings of the Board and of shareholders.

The role of the Board is to set the Company’s strategic targets, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board also sets the Company’s values and standards and ensures that its obligations to its stakeholders are understood and met.



# Corporate Governance (continued)

## Directors' Profiles

### **Patrice d'Hotman de Villiers, B. Com. – Chief Executive Officer**

Chief Executive Officer since 1996. Chairman of Mauritian Eagle Insurance Company Limited. Previously Chief Operating Officer of Mauritius Tuna Fishing and Canning Enterprises Ltd. Mr d'Hotman de Villiers does not hold any other directorship in listed companies.

### **Christian de Juniac, MBA – Independent Non-Executive Director**

Christian de Juniac is of French nationality. He has spent most of his working life in international surroundings. He studied at Cambridge in UK followed by an MBA at Harvard University. He is a Barrister at Law and was with Boston Consulting Group for 28 years, based mostly in the United States, England, Holland and Switzerland. Christian de Juniac knows IBL well, having been responsible for the Boston Consulting Group team (BCG) which set up a new strategy for our Group in 2006. During his career at BCG, Christian de Juniac specialized in financial services and mass distribution. Mr de Juniac holds no other directorships in listed companies in Mauritius.

### **Bertrand Hardy – Independent Non-Executive Director**

Chairperson of Rentacolor (Mauritius) Ltd. Mr Hardy does not hold any other directorship in listed companies.

### **Jason Harel – Independent Non-Executive Director**

Jason Harel qualified as both a Chartered Accountant and Barrister at Law in England and Wales. He was an associate within the Banking and Finance department of Denton Wilde Sapte in London from 2000 to 2005 specializing in structure trade and project finance in addition to workout transaction. Prior to this he completed his pupillage with the UK leading tax chambers, Gray's Inn Tax Chambers and trained as a chartered accountant with Kingston Smith in London. Upon his return to Mauritius, Jason is a co-founder and partner of BLC Chambers which is today ranked by both Global Chambers and International Financial Law Review as being a 1<sup>st</sup> tier business law practice in Mauritius. Jason has worked on a number of large banking, real estate and M&A transactions in Mauritius and elsewhere. Mr Harel does not hold any other directorship in listed companies.

### **Arnaud Lagesse – Non-Executive Director**

Arnaud Lagesse holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of "Institut Supérieur de Gestion", France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France. He joined the Groupe Mon Loisir in 1995 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005.

He is the Chairman of Naïade Resorts Ltd, Mauritius Stationery Manufacturers Ltd, Robert Le Maire Limited, and a Director of Deep River-Beau Champ Ltd, Flacq United Estates Ltd, Forward Investment & Development Enterprises Ltd and Union Flacq Ltd. He is an Alternate Director of The United Basalt Products Ltd. Arnaud Lagesse is an ex-President of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Mr Arnaud Lagesse does not hold any other directorship in listed companies.

### **J. Cyril Lagesse – Non-Executive Director**

Chairperson of the Company on a number of occasions. Cyril Lagesse is a Director of Deep River-Beau Champ Ltd, Flacq United Estates Ltd, Forward investment & Development Enterprises Ltd, Mauritius Stationery Manufacturers Ltd, Naiade Resorts Ltd, Phoenix Beverages Ltd, Phoenix Investment Co Ltd, Robert Le Maire Ltd, Sun Resorts Ltd, Swan Insurance Co Ltd, Union Flacq Ltd, The Anglo-Mauritius Assurance Society Ltd and The United Basalt Products Ltd. Mr Cyril Lagesse does not hold any other directorship in listed companies.

### **Thierry Lagesse – Non-Executive Director Chairman**

Thierry Lagesse holds a 'Maîtrise en Sciences et Gestion' from the University of Paris Dauphine. He is the Founder and Executive Chairman of the Palmar group of Companies, an international textile and garment manufacturing group. He is also the promoter of both Companhia de Sena, a sugar processing and refining factory in Mozambique and Parabole Reunion SA, a Direct to Home Satellite TV company in the media and communication fields across the islands of the Indian Ocean. Thierry Lagesse chairs Compagnie d'Investissement et de Développement Limitée, the latter being the holding company of IBL.

He is the Chairman of Flacq United Estates Limited, Phoenix Beverages Ltd, The United Basalt Products Ltd, Phoenix Investment Company Limited, Union Flacq Ltd and Deep River Beau Champ Ltd. He is a Director of Forward Investment & Development Enterprises Ltd, Sun Resorts Ltd, Swan Insurance Co Ltd, The Anglo-Mauritius Assurance Society Ltd and Mauritius Stationery Manufacturers Ltd. Mr Thierry Lagesse does not hold any other directorship in listed companies.

### **Gaetan Lan Hun Kuen, FCA – Executive Director**

Joined IBL in 1977 as Financial Controller of Shipping and became Group Financial Controller in 1986. Chief Executive Officer of Mauritian Eagle Insurance Company Limited for the period 2001 to 2004 and Head of Finance for the IBL Group as from 2005 to date. Chairman of The Stock Exchange of Mauritius Ltd, Director of Mauritian Eagle Insurance Company Limited and Central Depository & Settlement Ltd. Gaetan Lan is the Chief Finance Officer of IBL. Mr Lan does not hold any other directorship in listed companies.

### **Jean Ribet, B. Com, CA (SA) – Non-Executive Director**

Group Chief Executive Officer of Constance. Director of Belle Mare Holding Ltd, Constance Hotels Services Ltd, Constance La Gaieté Co Ltd and Hotelest Limited. Mr Ribet does not hold any other directorship in listed companies.

### **Louis Rivalland, B.Sc. (Hons.) (SA), F.I.A. (UK), F.A.S. (SA) – Non-Executive Director**

Group Chief Executive of Swan Group and The Anglo-Mauritius Assurance Society Ltd. Director of Belle Mare Holding Ltd, Constance Hotels Services Ltd, Constance La Gaieté Company Ltd, ENL Commercial Ltd, Hotelest Ltd, Mauritius Freeport Development Co Ltd, New Mauritius Hotels Ltd, Swan Insurance Company Ltd, The Anglo-Mauritius Assurance Society Ltd, The Mauritius Development Investment Trust Company Ltd. Mr Louis Rivalland does not hold any other directorship in listed companies.

### **Michel Guy Rivalland – Non-Executive Director**

Chief Executive Officer of AXYS Group. Michel Guy is a graduate in Economics. He joined AXYS in 1999 and became a Director and shareholder in 2002. AXYS operates in the offshore, asset management, stockbroking, investment and asset financing sector. Michel Guy Rivalland is also the co-founder and Executive Chairman of the Island Fertilizers Group, the largest fertilizer operator in the region. Mr Michel Guy Rivalland does not hold any other directorship in listed companies.



# Corporate Governance (continued)

## Directors' Interests In Shares

At 30 June 2010 the Directors' Interests in the shares of the Company were:

Name of Directors	Number of shares held at 30 June 2010	
	Direct	Indirect
D'HOTMAN DE VILLIERS, Patrice	100	100
DE JUNIAC, Christian	-	-
HARDY, Bertrand	175,481	-
HAREL, Jason	-	-
LAGESSE, Arnaud	-	-
LAGESSE, J. Cyril	14,773	1,000
LAGESSE, Thierry	3,300	-
LAN HUN KUEN, Gaetan	5,410	-
RIBET, Jean	-	232,319
RIVALLAND, Louis	4,400	-
RIVALLAND, Michel Guy	-	-

The Directors are fully aware and follow the principles of the Model Code of Securities Transactions by Directors, as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

During the period, Mr P. d'Hotman de Villiers sold 1,780 directly-owned shares and 9,900 indirectly-owned shares at the consideration of Rs49 per share.

No other Director dealt in Company shares during the period under review.

## Profile of Senior Management Team

### Patrice d'Hotman de Villiers, B. Com.

*Chief Executive Officer*

Joined the Group in 1996 as Chief Executive Officer. Chairman of Mauritian Eagle Insurance Company Limited. Previously Chief Operating Officer of Mauritius Tuna Fishing and Canning Enterprises Ltd.

### François Desmarais, Sc. Po, PMD

*Chief Operating Officer – Property Management, Projects & Services*

Joined the Company in 1979 as Coordinator of the Commercial Division and subsequently became the Executive Director in charge of the Commercial Division. He was appointed Senior Executive of Large Projects, Services & Property Management. Since January 2007 he is dedicated to the development of the Group's properties.

### **Gaetan Lan Hun Kuen, FCA**

*Chief Finance Officer*

Joined in 1977 as Financial Controller of Shipping and became Group Financial Controller in 1986. Chief Executive Officer of Mauritian Eagle Insurance Company Limited for the period 2001 to 2004 and Head of Finance for the IBL Group as from 2005 to date. Director of Mauritian Eagle Insurance Company Limited and Central Depository & Settlement Ltd. He is the Chairman of The Stock Exchange of Mauritius Ltd.

### **Fabrizio Merlo, B. Com., MBA**

*Chief Operating Officer – Logistics, Engineering & Commerce*

Joined in 1997 as Managing Director of Manser Saxon Contracting Ltd. In 2005, he became Senior Executive for Contracting and Agriculture & Construction. Responsible for Scomat Limitée since 2006 and, since January 2007, COO of Logistics, Engineering & Commerce Sector.

### **Nicolas Merven, Diplôme Universitaire de Technologie**

*Chief Operating Officer – Retail*

Joined in 1994 as Manager to launch the Winner's chain of supermarkets. For 10 years he was the Senior Executive of the Food and Distribution Business Unit. Since January 2007 he is responsible for the implementation of an important development plan for the chain of supermarkets which now comprises 16 units.

### **Simon-Pierre Rey, BA (Hons.) Econ., ACA**

*Chief Operating Officer – Corporate Services*

Joined in 1986 as Financial Controller – Tourism and was Finance Director of the Group from 1989 to 2005. Cumulated the position of Company Secretary from 1997 to 2005. As from January 2007, responsible for Legal & Secretarial, Human Resources & Communication and IT. Director of Mauritian Eagle Insurance Company Limited.

### **Eric Venpin, FCA**

*Chief Operating Officer – Financial Services*

*Managing Director of Mauritian Eagle Insurance Company Limited*

Joined in 2003 as Director of DTOS Ltd and moved to Mauritian Eagle Insurance Company Limited in 2005. Since January 2008 he is Chief Operating Officer of Financial Services, responsible for DTOS Ltd, Mauritian Eagle Insurance Company Limited and Mauritian Eagle Leasing Company Limited. He is also a member of the Society of Trust and Estate Practitioners.



# Corporate Governance (continued)

## Related Party Transactions

Please refer to Note 30 of the Financial Statements of the Company.

## Board Attendance

The Board meets regularly and at such adhoc times as may be required. Members of the Senior Management are invited to attend Board Meetings to facilitate communication between the Executive Management and Non-Executive Board Members.

	Category	Board Meeting	Audit & Risk Committee	Corporate Governance	Strategic Committee
No. of meetings from January to June 2010		2	2	1	-
DE JUNIAC, Christian	Independent Non Executive	2		1	
D'HOTMAN DE VILLIERS, Patrice	Chief Executive	2			
HARDY, Bertrand	Independent Non Executive	2	1		
HAREL, Jason	Independent Non Executive	2	1		
LAGESSE, Arnaud	Non Executive	2		1	
LAGESSE, J. Cyril	Non Executive	2			
LAGESSE, Thierry	Non Executive Chairman	2		1	
LAN HUN KUEN, Gaetan	Executive	2			
RIBET, Jean	Non Executive	2	1	1	
RIVALLAND, Louis	Non Executive	2	2		
RIVALLAND, Michel Guy	Non Executive	2			

## Non Executive Directors' Remuneration

The table below shows the Non Executive Directors' remuneration:

Fixed remuneration	Rs 13,000	per month per Director
Attendance fee for Board / Corporate Governance / Audit / Strategic representation	Rs 20,000	per attendance per Director
Chairman of the above Committees	Rs 40,000	per attendance



## Directors' Remuneration and Benefits

	6 months ended 30 June 2010 Rs'000	Year ended 31 December 2009 Rs'000
Emoluments paid by the Company and related corporations to:		
- Directors of Ireland Blyth Limited		
- Executive	10,590	51,296
- Non-Executive	2,157	4,389
- Directors of subsidiary companies (excluding those who are also Directors of Ireland Blyth Limited)		
- Executive	46,407	127,750
- Non-Executive	366	728

The Directors' remuneration is disclosed by category in view of the confidentiality and sensitivity of the information.

## Board Committees

### *Audit & Risk Committee*

The members of the Audit & Risk Committee are Messrs Jason Harel (Chairman), Bertrand Hardy, Jean Ribet and Louis Rivalland.

The principal function of the Audit & Risk Management Committee is to oversee the financial reporting process. The activities of the Audit Committee include regular reviews and monitoring of the effectiveness of the Company's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the external audit process and assessment of the external auditor's performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with our internal code of business conduct. During the months of January to June 2010 the Committee met twice.

The members of the Committee have scrutinized and communicated their views on all Financial Reports prior to publication, the Audited Financial Statements, as well as reports from the Internal and External Auditors.



# Corporate Governance (continued)

## Board Committees (cont'd)

### Corporate Governance Committee (including Remuneration)

The members of the Corporate Governance Committee are Messrs Christian de Juniac (Chairman), Arnaud Lagesse, Thierry Lagesse and Jean Ribet.

The main attribute of the Corporate Governance Committee is to provide guidance to the Board on aspects of corporate governance and for recommending the adoption of policies and best practices as appropriate for the Company.

This Committee is also responsible for remuneration and nomination matters. The remuneration philosophy is to ensure that the Senior Management is appropriately rewarded for their individual and joint contribution to the Group's results, whilst also having due regard to market conditions, the interest of the shareholders and to the financial and commercial wellbeing of the Group.

The Committee meets on a quarterly basis. During the period January to June 2010 the Committee met once. The Chief Executive attends the meetings of this Committee by invitation.

### Strategic Committee

The members of the Strategic Committee are Messrs Thierry Lagesse (Chairman), Arnaud Lagesse and Christian de Juniac. The Committee intends to meet bi-annually.

## Key Risks Areas

The Directors have overall responsibility for risk management. The Group is exposed by the nature of its business to a variety of risks, notably:

### Financial Risks

These are outlined in Note 31 of the Financial Statements.

### Operational Risks

Operational risk is that of loss arising from a breakdown in systems, human resources or internal processes.

The Group maintains a comprehensive insurance cover for all its properties against material damages, breakdown, loss of business and public liability.

The Group's cover is reviewed annually in collaboration with a professional insurance adviser.

## Key Risks Areas (cont'd)

### Business Continuation Plan - IT

A BCP Guide is in place. The aim of this Guide is to develop a structured and coherent framework in order to assist the organization to recover as quickly and as effectively as possible from any unforeseen disaster or emergency with minimized business interruption and impact.

## Material Clauses of the Company's Constitution

The Company adopted a new constitution in June 2009. Some of the material clauses contained in the constitution are:

### **Clause 9** – Acquisition of Company's own shares

The Company may purchase or otherwise acquire its shares in accordance with, and subject to, sections 68 to 74, and 108 to 110 of the Act, and may hold the acquired shares in accordance with section 72 of the Act. The Company may purchase shares issued by it from some and not necessarily all of its shareholders.

### **Clause 20.7** – Quorum

There shall be a quorum for holding a General Meeting where four (4) shareholders holding at least fifty percent (50%) of the shares of the Company are present or represented.

### **Clause 21.1** – Number of Directors

The Board shall consist of not less than six (6) or more than fifteen (15) Directors.

### **Clause 21.8** – Alternate Directors

Every Director may, by notice given in writing to the Company, appoint any person (including any other Director) to act as an Alternate Director in the Director's place, either generally, or in respect of a specified meeting or meetings at which the Director is not present.

## Share Option Plan

The Company does not have an employee share option plan.

## Directors' Service Contracts

There are no service contracts between the Company and its Directors.



# Corporate Governance (continued)

## Significant Contracts

In 2001, the Company entered into management services agreements with GML Services Financiers et Juridiques Ltée (SFJ) and Belle Mare Holding Ltd (BMH). The services provided include inter alia corporate and investment strategy, advisory support services bringing industry specific expertise. In return for these services, the Company pays Rs5M per annum to SFJ and Rs1.25M per annum to BMH.

In May 2010, Compagnie d'Investissement et de Développement Limitée (CIDL), The Anglo-Mauritius Assurance Society Ltd (AMAS) and Belle Mare Holding Ltd (BMH) entered into a Shareholders Agreement.

CIDL, AMAS and BMH held together at that date 72.77% of the Share Capital of the Company.

The objective of such an agreement is to provide stability of the Company and to promote the continuity of its management and policies.

The agreement takes into account the interests of all shareholders under the Companies Act 2001 and the principles of good corporate governance.

It makes provision for the management of the Company and lays down procedures for the administration and constitution of the Board, Committees thereof, dividend policy and pre-emptive rights concerning disposal of shares.

No other contracts of significance subsisted during the period under review between the Company, its subsidiaries and any Director or controlling shareholder of the Company, either directly or indirectly.

## Shareholders' Calendar

Financial Year End	June
Special Meeting of Shareholders	November 2010
Annual Meeting of Shareholders	December 2011

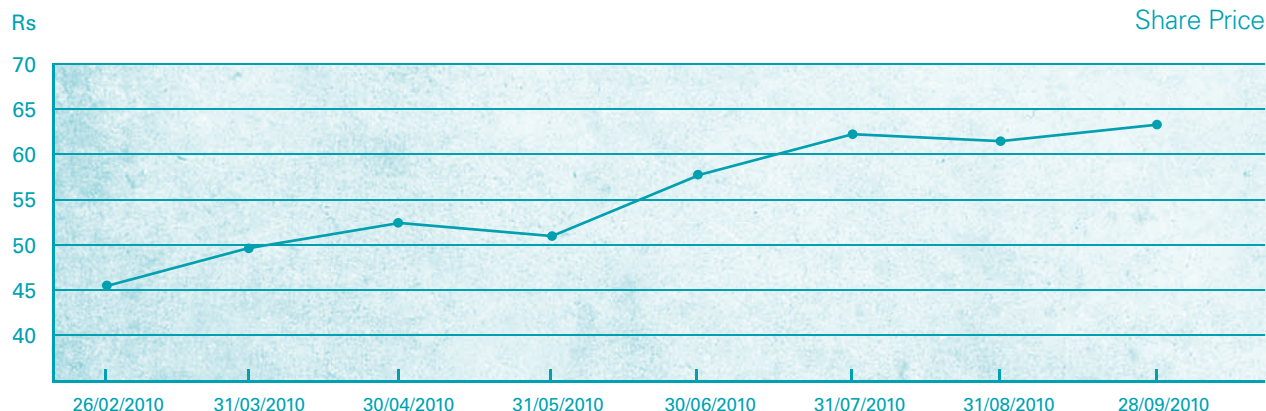
### Publication of Financial Statements

First Quarter ended 30 September	November
Second Quarter ended 31 December	February
Third Quarter ended 31 March	May

### Dividends

Declaration	May & November
Payment	June & December

## Share Price Information



## Shareholding Profile

Ownership of ordinary share capital as at 30 June 2010 was as follows:

Number of shareholders	Size of shareholding	Number of shares owned	% Holding
6251	1 - 500 shares	935,968	1.31%
1346	501 - 1000 shares	1,221,225	1.71%
1844	1,001 - 5,000 shares	3,295,893	4.61%
151	5,001 - 10,000 shares	1,049,122	1.47%
181	10,001 - 50,000 shares	3,788,099	5.30%
25	50,001 - 100,000 shares	1,643,813	2.30%
27	100,001 + shares	59,504,213	83.29%
<b>9825</b>		<b>71,438,333</b>	<b>100.00%</b>

Number of shareholders	Type of shareholding	Number of shares owned	% Holding
9517	Individuals	10,870,135	15.22%
10	Insurance and Assurance Companies	10,988,233	15.38%
37	Pensions and Provident Funds	1,881,805	2.63%
38	Investment and Trust Companies	37,507,099	52.50%
223	Other Corporate Bodies	10,191,061	14.27%
<b>9825</b>		<b>71,438,333</b>	<b>100.00%</b>

N.B: The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active shareholders as at 30 June 2010 was 10,095.



# Corporate Governance (continued)

## Code of Ethics

The Company is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Company expects all employees to share its commitment to high moral, ethical and legal standards.

## Environmental Policy

In 2001, IBL published its environment charter in which it states that the protection of the environment is one of its principal values. Each employee is asked to participate in a proactive way in the management of our natural resources. In 2008, an Energy Management and Sustainable Development unit was set up. The objective of energy management is to minimize energy costs and wastage and to minimize the environmental impacts. Additionally, a series of measures are taken throughout the sectors of activities of the Group to reduce electricity costs.

## Health and Safety Policy

The Company believes in providing and maintaining a safe and healthy work environment for all employees. A Health and Safety Policy has been designed to:

- ensure that the occupational safety and health legal provisions are adhered to
- optimize work efficiency
- prevent accidents and eliminate work hazards
- promote and maintain safety standards
- create awareness

## Corporate Social Responsibility

IBL Foundation contributes to national projects, particularly with regard to the underprivileged children with projects in the different areas of intervention defined as per the CSR guidelines: 1) socio-economic development including alleviation of poverty, 2) health, 3) sport & leisure, 4) environment, 5) education & training. We have taken responsibility for one of the EAP (Eradication of Absolute Poverty) clusters, Anoskha.

The IBL Foundation CSR Committee has also developed numerous micro projects called "Projet Sourire" focusing on education, health and sports for underprivileged children.

## Donations (including CSR)

	THE GROUP		THE COMPANY	
	6 months ended 30 June 2010 Rs'000	Year ended 31 December 2009 Rs'000	6 months ended 30 June 2010 Rs'000	Year ended 31 December 2009 Rs'000
Political	5,500	-	5,000	-
Others	8,035	9,342	3,716	3,949



**Simon-Pierre Rey**  
*Secretary*

28 September 2010