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# STATEMENT OF COMPLIANCE

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT 2004)

**Name of Public Interest Entity (“PIE”):** Sun Limited (“SUN”/“the Company”).

**Reporting Period:** 30 June 2022

Throughout the financial year ended 30 June 2022, and to the best of the Board of Directors’ knowledge, SUN has complied with the National Code of Corporate Governance Mauritius (2016) (“the Code”). SUN has applied the principles set out in the Code and explained how these principles have been applied.

Jean-Pierre Dalais  
Chairman

Naderasen Pillay Veerasamy  
Chairman of the Corporate Governance, Ethics,  
Nomination & Remuneration Committee

16 September 2022

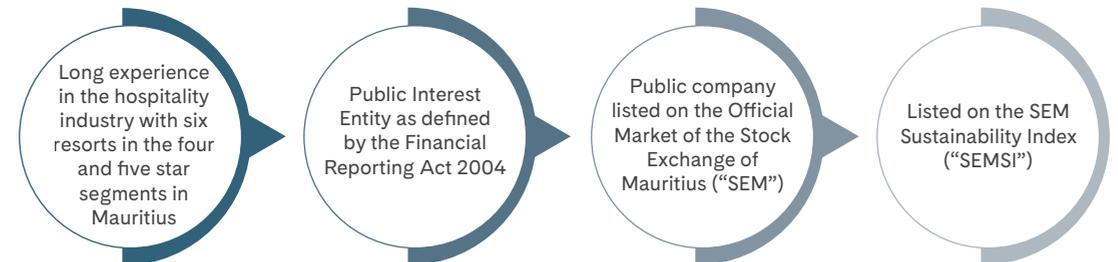
# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022



## Group Profile

### Sun Limited (“SUN”) at a Glance



The Board of Directors (“the Board”) of SUN is committed to maintaining high standard of corporate governance and acknowledges its responsibility for applying and implementing the principles contained in the National Code of Corporate Governance for Mauritius (2016) (“the Code”). Details on how SUN has applied the Code’s principles are explained in this report. SUN also uses its website (“SUN’s website”) for online reporting in accordance with the recommendations of the Code. You may refer to the dedicated governance section on <https://www.sunresortshotels.com/en>.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Principle 1: Sun's Governance Structure

### The Role of the Board

The Board provides effective leadership and direction to enhance the long-term value of the Group, for its shareholders and stakeholders. It assumes its responsibility in (i) overseeing the business affairs of the Group, (ii) reviewing its strategic plans, performance objectives, financial plans, annual budget, key operational initiatives, major funding, investment proposals, financial performance reviews and corporate governance practices. It also ensures that all legal and regulatory requirements are met.

### Code of Conduct

SUN operates a Code of Conduct<sup>1</sup> for all its employees, officers, directors and suppliers, which demonstrates, not only its unwavering commitment to provide outstanding service, but ensures that its business is done according to ethical standards.

### Responsibilities and Accountabilities

SUN has job descriptions for key senior governance positions<sup>1</sup> to provide a clear definition of their roles and responsibilities. The roles of the Board chairman and that of Chief Executive Officer ("CEO") are held separately. Jean-Pierre Dalais assumes the role of the non-executive chairman and Francois Eynaud that of the CEO.

### Board Charter

The Board charter<sup>1</sup>, which has been updated during the year, defines, amongst other items, the composition, role and duties of the directors and the chairman, as well as the responsibilities assigned to committees of the Board. A copy of the Board charter is provided to new directors upon their appointment as part of their induction.

### Constitution

The constitution of SUN<sup>1</sup> complies with the provisions of the Companies Act 2001 and the Listing Rules of the SEM. There are no clauses of the constitution deemed material enough for special disclosure.

**Note 1:** The above documents are subject to review by the Board as and when necessary and may be consulted on SUN's website.



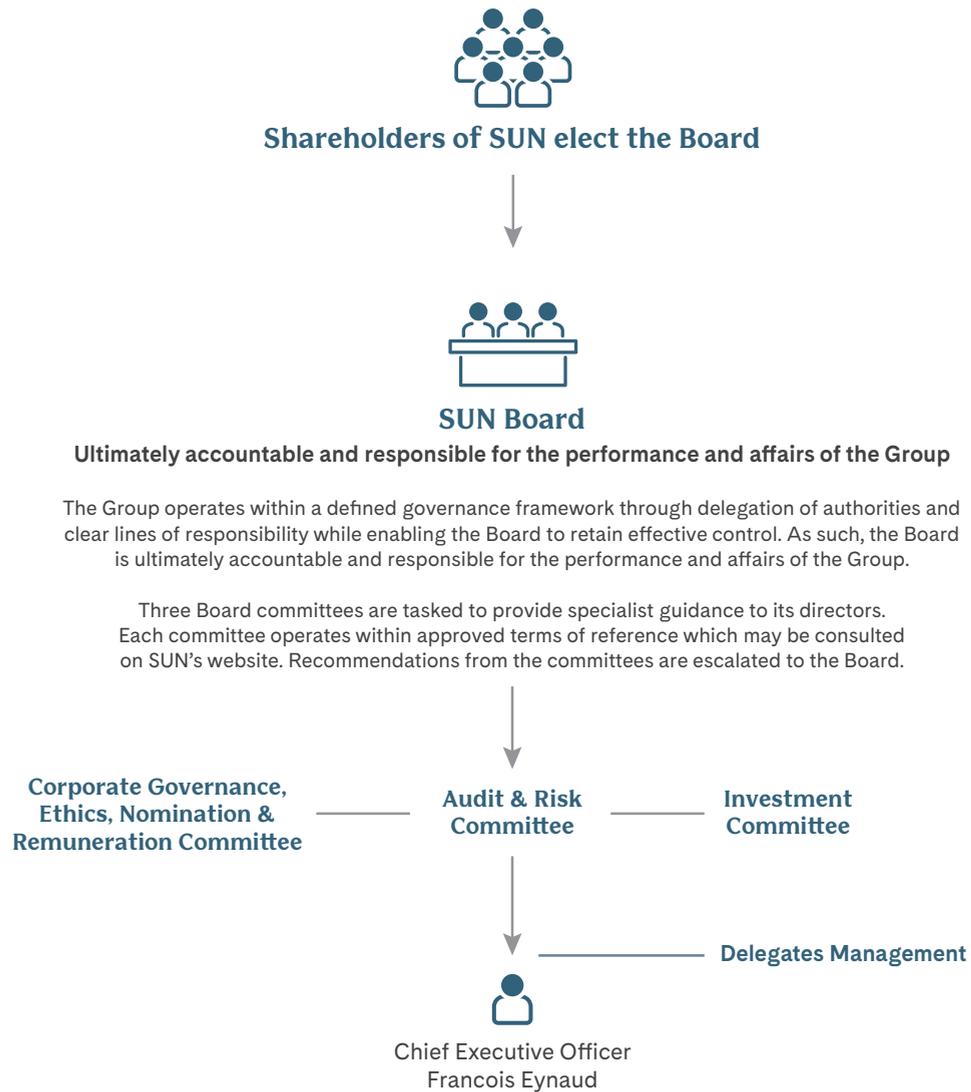
# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Governance within the Group

The guidance under the Code for groups provides that the ultimate holding company of group companies should apply all principles of the Code and provide appropriate explanations. Wholly owned subsidiaries are thus exempted from applying the principles of the Code. As a holding company, SUN's governance structure contributes to the effective oversight of its subsidiaries considering the nature, scale and complexity of the different risks to which the Group is exposed. The governance structure of the Group is considered appropriate considering its growth, increased complexity and geographic expansion.

## SUN's Organisational Chart/Leadership and Management Teams/ Statement of Accountabilities



<sup>1</sup> Saleem Khadaroo reports to the Audit & Risk Committee for risk and compliance matters.

<sup>2</sup> Management contracts entered into by SUN with international hotel operators.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Principle 2: Structure of the Board and its Committees

### Board Size and Structure as at 30 June 2022

The Board is composed of directors coming from different industries and backgrounds with strong business, international and management experience which are important considering the nature and scope of the Group's business and the number of Board committees.

#### Tenure of Directorships

Between 0 and 2 years: **3**  
 Between 2 and 4 years: **1**  
 Between 4 and 6 years: **4**  
 More than 6 years: **6**

#### Areas of expertise

Accounting & Finance, Hospitality, Asset & Risk Management, Textile, Private Equity, Strategic Business Development, Legal, Sales & Marketing.

#### Type of mandate

Unitary Board of **14** directors

#### Constitution

Not less than **8** or more than **14** directors

#### 2 Executive directors

#### 9 Non-executive directors, including the chairman

#### 3 Independent non-executive directors

#### 6 Board meetings during the financial year

#### 3 Decisions adopted by way of written resolution in lieu of holding Board meetings

#### Quorum for the Board

Majority of directors and in case of equality of votes, the chairman has a casting vote.

#### Gender balance

Female **1**  
 Male **13**



Directors as at 30 June 2022	Gender	Age as at 30 June 2022	Attendance	Residency	Category
Jean-Pierre Dalais (Chairman)	M	58	6/6	Mauritius	NEC
P. Arnaud Dalais	M	67	6/6	Mauritius	NED
Guillaume Dalais (appointed on 20 September 2021)	M	40	6/6	Mauritius	NED
R. Thierry Dalais	M	63	6/6	Mauritius	NED
L. J. Jérôme De Chasteauneuf	M	55	6/6	Mauritius	NED
Hélène Echevin	F	44	6/6	Mauritius	NED
Francois Eynaud	M	61	6/6	Mauritius	ED
J. Harold Mayer	M	57	6/6	Mauritius	NED
Mushtaq N. Oosman (appointed on 01 October 2021)	M	67	5/5	Mauritius	INED
Olivier Riché	M	66	5/6	France	NED
Jean-Louis Savoye	M	48	5/6	France	NED
Pierre Vaquier	M	65	6/6	France	INED
Naderasen Pillay Veerasamy	M	64	6/6	Mauritius	INED
Tommy Wong Yun Shing	M	55	6/6	Mauritius	ED

NEC - Non-Executive Chairman NED - Non-Executive Director INED - Independent Non-Executive Director ED - Executive Director

### Company Secretary

CIEL Corporate Services Ltd ("CCS"), a wholly owned subsidiary of CIEL Limited, employs qualified chartered secretaries, to provides the services of the company secretary to SUN. Clothilde de Comarmond acts as the Board secretary and is qualified as an associate under the Institute of Chartered Governance. She joined CCS in 2000 and is in charge of the company secretary department at CIEL Head Office.

### Time Commitment and Other Directorship Positions

The directors ensure that they devote sufficient time to the Company in the performance of their duties. SUN does not impose over-boarding restrictions to its directors and is satisfied, that its members meet their time commitment expectations in respect of board and committee meetings and that they discharge their responsibilities effectively. The directorships of the directors in listed companies have been disclosed under the directors' profiles section.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Board Processes and Attendance at Board/Committee Meetings



## Focus Areas of the Board During the Year

Recurring Agenda Items	Governance and Risk	Strategy, Performance, Financial Monitoring
<ul style="list-style-type: none"> <li>· Declaration of interests</li> <li>· Minutes of proceedings of meetings</li> <li>· Reports from chairmen of Board committees</li> <li>· Quarterly reports/review of operations</li> </ul>	<ul style="list-style-type: none"> <li>· Board composition</li> <li>· Board representatives on subsidiaries of SUN</li> <li>· Annual report</li> <li>· Reports from the chairman of the Audit &amp; Risk Committee on internal audit</li> <li>· Nomination, remuneration and governance matters through the report from the chairman of the Corporate Governance, Ethics, Nomination &amp; Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>· Annual and quarterly financial statements</li> <li>· Monitoring of bank accounts and signatories</li> <li>· Financial forecasts</li> <li>· Bank facilities</li> <li>· Budget</li> <li>· SUN properties' project</li> <li>· Review of operations</li> <li>· Rebranding strategy</li> <li>· Resorts' renovations and developments</li> </ul>

The Board is of the view that its composition is adequately balanced and that the directors have the range of skills, expertise and experience to carry out their duties properly.

## Dedicated Committees Assisting the Board in its Duties

Whilst the Board retains the overall responsibility, committees probe subjects more deeply and report on the matters discussed, decisions taken, and where appropriate, make recommendations on items requiring Board approval. The committees play a key role in supporting the Board. The chairman of each of the committees reports verbally to the Board on their activities. The Board is satisfied that the committees are appropriately structured, skilled and competent to deal with both the Group's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review according to their terms of reference. The terms of reference of the committees are updated as and when necessary.

Corporate Governance, Ethics, Nomination & Remuneration Committee		
Number of Meetings:	Members	Attendance
1	Naderasen P. Veerasamy, Chairman Jean-Pierre Dalais P. Arnaud Dalais Olivier Riché Mushtaq N. Oosman	1/1 1/1 1//1 1/1 N/A <sup>1</sup>

Note 1: Appointment as director effective after meeting date

### Main Terms of Reference

- Ensure that the Company's reporting requirements on corporate governance are in accordance with the principles enunciated in the Code and guide the Board on the adoption of other governance policies and best practices.
- Analyse, advise and make recommendation to the Board with respect to ethics, remuneration and nomination matters.
- Monitor the implementation of the code of conduct and set the tone for its implementation by management.

### Focus Areas during the Year

Corporate governance report | Directors' fees benchmark | Board and committee composition | Board charter amendments | Engagement survey results | Management fees payable to CCS

Investment Committee		
Number of Meetings:	Members	Attendance
3	Pierre Vaquier, Chairman Jean-Pierre Dalais Francois Eynaud Olivier Riché	3/3 3/3 3/3 3/3

### Main Terms of Reference

- Ensure that investment and development strategies meet the strategic objectives set.
- Ensure that effective and regular access exists for the debate of the Company's/Group's investment strategy options and changes thereto.
- Understand and assess potential investment and divestment opportunities available to the Company/Group.
- Understand and match the Company's/Group's investment strategy options with its financing and treasury strategies.
- Forum to debate deal flow opportunities.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Focus Areas during the Year

SUN Properties' development strategy | Fees payable to consultants | Monitoring of renovations costs

Audit & Risk Committee		
Number of Meetings:	Members	Attendance
7	L. J. Jérôme De Chasteauneuf (Chairman from 01 July 2021 to 01 October 2021)	7/7
	Mushtaq N. Oosman (Chairman as from 01 October 2021)	3/3
	Jean-Louis Savoye	6/7
	Naderasen P. Veerasamy	7/7

## Main Terms of Reference

- Examine and review the quality and integrity of the Group financial statements and any formal announcements relating to its financial performance.
- Review and report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditors.
- Assess the robustness of the Company's internal controls, including financial and management accounting controls.
- Monitor the effectiveness of the internal control and risk management systems, as well as the conclusions of any verification performed by internal and external auditors.
- Ensure that the Company develops and executes a comprehensive and robust system of risk management.
- Appointment, reconduction and termination of internal and external auditors.

## Focus Areas during the Year

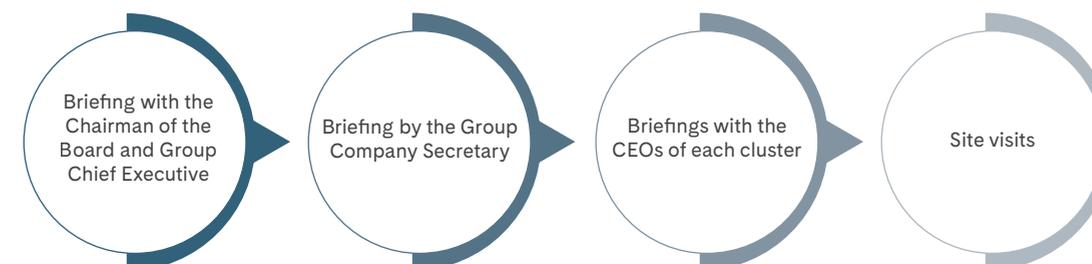
Key audit matters for SUN and its subsidiaries for the FY 30 June 2021 | Proposed strategy for the buy-back of the noteholders of SUN | Internal audit reports (as further detailed under the section Internal Audit) | Revised audit plan for the FY2022 | Risk management & compliance update | Summary of material legal cases | Forecasts FY2022, including cash flow | Audited accounts of the Company and its subsidiaries FY2021 and the abridged version of these accounts | Meeting with external auditors without management's presence (in line with the Code) | Quarterly financial results with their respective abridged versions.

## Principle 3: Director Appointment Procedures

### Appointment and Re-Election of Directors/Chairman

Step 1	<ul style="list-style-type: none"> <li>• The Board charter provides that the directors shall be a natural person of not less than 18 years old and not more than 75 years old.</li> <li>• It also provides that the chairman of the Board shall not be older than 70 years old and shall hold office for a period of five years and may, at the term of his office, be re-elected by the Board for a further period of five years or such other term as may be determined by simple majority of the Board. Jean-Pierre Dalais is chairing the Board since 13 February 2017.</li> <li>• The Corporate Governance, Ethics, Nomination &amp; Remuneration Committee recommends all new appointments on the Board and committees. Skills, knowledge, industry experience, diversity and independence are important factors that are being considered prior to recommending any appointment.</li> </ul>
Step 2	<ul style="list-style-type: none"> <li>• Board approval - The directors have power at any time, and from time to time, to appoint any person to-be a director, either to fill a casual vacancy or as an addition to the existing directors but so that the total number of directors shall not at any time exceed the number fixed in accordance with this constitution.</li> <li>• The director appointed to fill up the vacancy or as an addition to the existing directors shall hold office only until the next annual meeting of shareholders and shall then be eligible for re-election.</li> </ul>
Step 3	<ul style="list-style-type: none"> <li>• Induction process.</li> </ul>
Step 4	<ul style="list-style-type: none"> <li>• Board nomination submitted for approval by the shareholders at Annual Meeting ("AM").</li> <li>• Directors are also re-elected annually at the AM by way of separate resolutions.</li> <li>• Directors over the age of 70 are appointed at the AM in accordance with section 138(6) of the Companies Act 2001.</li> </ul>

## Induction of the Directors



The Board assumes its responsibility for the appointment of new directors, as well as their induction through a process which is facilitated by the company secretary. All directors have unrestricted access to the Company's records.

## Professional Development

As part of their duties as directors, it is critical for Board members to have a thorough knowledge of the environment within which the Group operate. Directors continuously receive information on the industry, benchmarks to industry players, tourism statistics, Tripadvisor's trends etc., as part of their Board packs. Apart from these, no training has been offered to the directors.

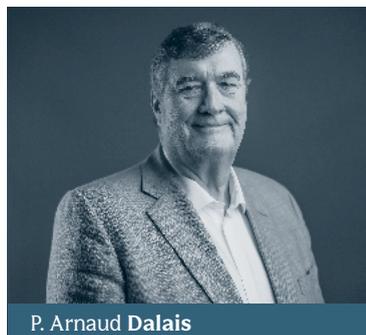
# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Directors' Profiles



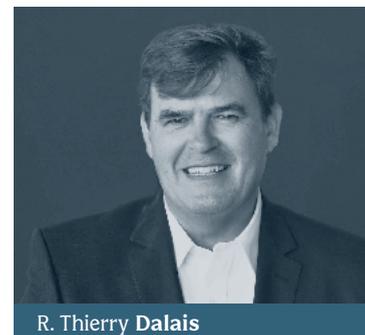
Jean-Pierre Dalais



P. Arnaud Dalais



Guillaume Dalais



R. Thierry Dalais



L. J. Jérôme De Chasteauneuf



Francois Eynaud

### Non-Executive Chairman

*Appointed Director on 7 April 2010 / Appointed Chairman on 13 February 2017 | Member of the Corporate Governance, Ethics, Nomination & Remuneration Committee | Member of the Investment Committee*

With an MBA from The International University of America, San Francisco, Jean-Pierre Dalais acquired working experience from Arthur Andersen (Mauritius and France) before joining the CIEL Group in January 1992. He played an active role in the management and development of the different group's clusters in Mauritius and internationally before being nominated Group Chief Executive of CIEL Limited on 1 January 2017, overseeing all its operations.

**Directorships in other listed companies:** Alteo Limited and CIEL Limited.

**Core competencies:** Strategy and corporate finance, building business partnership, international development, new business opportunities, hotel & property development.

### Non-Executive Director

*Appointed Director on 3 December 1991 | Member of the Corporate Governance, Ethics, Nomination & Remuneration Committee*

P. Arnaud Dalais joined the CIEL Group in August 1977. Under his leadership, the CIEL Group has gone through an important growth, both locally and internationally. Over the years, he has played an active role at the level of the Mauritian private sector and has assumed the Chairmanship of several organisations including the Joint Economic Council from 2000 to 2002 and Business Mauritius from 2015 to 2017. He was appointed Group Chairman of CIEL in 2010 and Chairman of CIEL Limited following the recent reorganisation of the group in 2014. He has chaired the Board between February 2011 and 2017.

**Directorships in other listed companies:** Alteo Limited (Up to 24 June 2022), CIEL Limited (Chairman).

**Core competencies:** Leadership, entrepreneurship, deal structuring, business management, strategic development, hotel & property development.

### Non-Executive Director

*Appointed Director on 20 September 2021*

Guillaume Dalais holds experience in the investment banking sector by working at Metier Investments & Advisory Services in South Africa and CIEL Capital Limited in Mauritius. He joined the CIEL Textile Group in 2010 and was appointed Executive Director of the Knits Cluster of the CIEL Textile Group in 2012. He was the Chief Executive Officer of the Knitwear cluster of the CIEL Textile Group between July 2016 and June 2020. He is the CEO of CIEL Properties since 01 July 2020. He is also a member of the board of directors of other companies in Mauritius, including those of the CIEL Group.

**Directorship in other listed companies:** CIEL Limited, C-Care (Mauritius) Ltd.

**Core competencies:** Private equity, textile, manufacturing, entrepreneurship, strategic business development, deal structuring.

### Non-Executive Director

*Appointed Director on 13 February 2017*

R. Thierry Dalais has more than 35 years' experience in the financial services and private equity investment industry. He was the co-founder of two private equity investment firms and acted as a key person in numerous private investment programs over the last 30 years. R. Thierry Dalais is a current and former director and trustee on numerous boards, industry bodies, not for profit foundations, including listed companies in Mauritius and abroad. He completed degrees in Commerce and Accounting at the University of the Witwatersrand and qualified as a Chartered Accountant in South Africa.

**Directorships in other listed companies:** CIEL Limited.

**Core competencies:** Investment management and corporate finance, entrepreneurship and business development, private equity investment activities across numerous industry sectors.

### Non-Executive Director

*Appointed Director on 12 November 2014 | Member of the Audit & Risk Committee (Committee he has chaired from 01 July 2021 until 30 September 2021)*

L. J. Jérôme De Chasteauneuf is a Chartered Accountant of England and Wales and holds a BSc Econ (Accounting & finance) from the London School of Economics. He holds a former working experience with PriceWaterhouseCoopers in the UK, where he qualified as a Chartered Accountant. He joined CIEL Group in 1993 as Corporate Finance Advisor and became Head of Finance of the CIEL Group in 2000. He is closely involved with the corporate affairs of the CIEL Group and the major financial re-engineering which accompanies the development of the Group. He was nominated CIEL Group Finance Director on 1 January 2017. He represents CIEL on numerous boards of its subsidiaries. He serves as independent non-executive director on the Board of the Stock Exchange of Mauritius Ltd.

**Directorships in other listed companies:** Alteo Limited (Chairman since 25 March 2022), CIEL Limited, Harel Mallac & Co. Ltd.

**Core competencies:** Business development and finance, accounting & audit, strategic development, deal structuring.

### Executive Director

*Appointed Director on 19 September 2019*

Francois Eynaud is the Chief Executive Officer of SUN since 1 September 2019. Prior to joining SUN, Francois Eynaud was the CEO of Veranda Leisure & Hospitality ("VLH"), managing the Hotels Division of Rogers Group, where he spent 11 years. Before joining VLH, Francois Eynaud had spent 14 years with CIEL Textile where he was Executive Director at Tropic Knits. Francois Eynaud was President of AHRIM (the National Hotel Association) in 2013 and 2014. Prior to returning to Mauritius in 1991, François Eynaud has worked 7 years at SAGEM, France as Export Director, Country Manager in the Caribbean and the UK. He holds a French Business School Diploma (Institut Commercial de Nancy – ICN).

**Directorships in other listed companies:** None.

**Core competencies:** Hospitality & leisure, strategic business development, leadership, sales and marketing.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022



Hélène Echevin

## Non-Executive Director

*Appointed Director on 22 June 2017*

Hélène Echevin is the Chief Executive Officer of C-Care Group, since 1 July 2019 which regroups all healthcare activities of the CIEL Group including C-Care (Mauritius) Ltd and C-Care (Uganda) Ltd. She is also the Executive Chairperson of C-Care (Mauritius) Ltd and sits on the Board of Directors of C-Care (International) Ltd (formerly known as CIEL Healthcare Limited) and other subsidiary companies of CIEL Group. She joined CIEL Group in March 2017 as Chief Officer – Operational Excellence and since then has played a key role developing the healthcare portfolio and leading CIEL's operational excellence journey. Hélène Echevin formerly worked for Eclasia Group and Harel Mallac Group and counts 22 years of experience in operations and project management, at both company and corporate levels. She holds a degree in Engineering from Polytech Engineering School, Montpellier, France and followed a Management Executive program at INSEAD. Hélène Echevin was the first lady President of the Mauritius Chamber of Commerce (MCCI) in 2015-2016. She is a board member of CIEL Textile Ltd.

**Directorships in other listed companies:** C-Care (Mauritius) Limited (Chairman).

**Core competencies:** Operational excellence, business & management, food production, project management.



J. Harold Mayer

## Non-Executive Director

*Appointed Director on 24 July 2014*

J. Harold Mayer holds a bachelor's in commerce and is qualified as Chartered Accountant - South Africa. He joined CIEL Textile in 1990 and has been holding key positions within the Group since then. He started his career as Head of Finance of New Island Clothing and was promoted General Manager of Aquarelle Clothing Ltd in 1995. He was also Chief Operating Officer of the clothing operations. On 30 June 2020, J. Harold Mayer retired as CEO of the CIEL Textile Group. He offers property advisory and transaction services (Horizon Property Partners) and acts as corporate consultant on strategy, finance and operational excellence.

**Directorships in other listed companies:** Air Mauritius, CIEL Limited, Omnicane Limited (Chairman).

**Core competencies:** Corporate finance, accounting, operational excellence, textile, entrepreneurship.



Mushtaq N. Oosman

## Independent Non-Executive Director

*Appointed Director on 01 October 2021 | Chairman of the Audit & Risk Committee | Member of the Corporate Governance, Ethics, Nomination & Remuneration Committee*

Mushtaq N. Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK, before returning to Mauritius in 1983, when he joined the audit department of De Chazal Du Mée (at the time representative of Arthur Andersen in Mauritius). He then joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius) and has been with PwC since then. He is a fellow of the Institute of Chartered Accountants in England and Wales. Mushtaq N. Oosman was appointed a Partner of PwC Mauritius on 01 July 1991. He was primarily an Assurance Partner, also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. He served on the Africa Central Governance Board and is versed with the working and responsibilities of a Governance Board. He has over 25 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. He retired from PwC in November 2015 and serves on the boards of several companies.

**Directorships in other listed companies:** MUA Ltd, Automatic Systems Ltd, United Docks Ltd, PIM Ltd.

**Core competencies:** Business development and finance, accounting, audit and financial advice, strategic development, deal structuring, business recovery, governance.



Olivier Riché

## Non-Executive Director

*Appointed Director on 22 June 2017 | Member of the Corporate Governance, Ethics, Nomination and Remuneration Committee | Member of the Investment Committee*

Olivier Riché is a member and the President of the Supervisory committee of Dentressangle Foncière Immobilière, a real estate investment company wholly owned by Dentressangle (Holding company of the Dentressangle Family). Prior to joining Dentressangle Foncière Immobilière in 2016, Olivier Riché was the Managing Director of Foncière de Paris for 30 years. He is a member of the Corporate Governance of several companies as Axa Mutuelle Vie and IARD, Mutuelles le Conservatory. Olivier Riché is a graduate in Business and Corporate Law.

**Directorships in listed companies:** None.

**Core competencies:** Real estate and property development, corporate law, international business and management.



Jean-Louis Savoye

## Non-Executive Director

*Appointed Director on 22 June 2017 | Member of the Audit & Risk Committee*

Jean-Louis Savoye is Deputy General Manager of the Dentressangle, a French société par actions simplifiée which is the investment holding company of the Dentressangle family. He has been instrumental in helping Dentressangle to realise its investment strategy during the last 19 years. Prior to joining Dentressangle in 2003 as CFO, Jean-Louis Savoye, served with PwC and ran due-diligences acquisitions in M&A for various Private Equity firms and French leading industrial companies. Jean-Louis Savoye is a graduate of the Toulouse Business School with a major in Finance.

**Directorships in listed companies:** CIEL Limited.

**Core competencies:** Finance, accounting, mergers & acquisition, private equity, international business and management, property investment.



Naderasen Pillay Veerasamy

## Independent Non-Executive Director

*Appointed Director on 24 July 2014 | Member of the Audit & Risk Committee (Committee he has chaired from 13 February 2015 until 30 June 2016) | Chairman of the Corporate Governance, Ethics, Nomination & Remuneration Committee*

Naderasen Pillay Veerasamy holds an LLB degree from the University of Buckingham in the United Kingdom. He was called to the Bar at Middle Temple in 1982. In 1989, he completed his Masters in Private Law at Université de Paris II (Assas) and thereafter sat for examinations for attestation as Barrister at La Cour d'Appel de Paris in 1990. He practiced as Barrister-at-Law in Mauritius from 1982 to 1987. He started practice in Paris, France, and joined SCP J. C. Goldsmith & Associates, and thereafter SCP Azéma Sells both firms of lawyers at the Paris Bar. In 1995, he created his own Chambers in Paris exercising mainly in Business Law. In 1997 he participated in the setting up of the Chambers Fourmentin Le Quintrec Veerasamy et Associés, now FLV & Associés (aarpi), comprising now of 9 associates and dealing with litigation, arbitration and Business Law. He is also a member on the Comité Français d'Arbitrage and the Chambre de Commerce et d'Industrie France Maurice. Since 2014, he is based in Mauritius as residing partner of the local office of FLV & Associés in Mauritius and resuming his practice at the Mauritian Bar on a permanent basis.

**Directorships in listed companies:** Ascencia Limited.

**Core competencies:** Corporate and business law, international law, business and management.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022



Pierre Vaquier

## Independent Non-Executive Director

*Appointed Director on 14 February 2018 | Chairman of the Investment Committee*

Pierre Vaquier has more than 41 years principal investment and asset management experience. Having worked since 1980 in financial institutions with global activities, all his career was in business positions held in Europe, the US and Asia. Until recently, he was the Chief Executive Officer of AXA Investment Managers-Real Assets (AXA IM-Real Assets), position he held for 10 years. He chaired the Management Board and Executive Committee of AXA IM-Real Assets and was as well member of the AXA Investment Managers Management Board. His responsibilities included the definition of AXA IM-Real Assets strategy and its implementation. Prior to the launch of AXA IM-Real Assets, he was Director of Business Development at AXA Immobilier. His key assignments were the restructuring of real estate investment generated through the property crisis of the late 80's early 90's, the evaluation of Mergers and Acquisition transaction made by the AXA Group and the governance of Equitable Real Estate Investment. Prior to AXA, he spent 13 years at Paribas in different investment and merchant banking functions.

After two years as an associate at Paribas International Private Banking, he moved to the US to manage real estate investment made for Paribas and its clients. He set-up a real estate investment and advisory platform based in New York, Paribas Properties Inc. At the different stage of the property cycle, he managed opportunistic investments, work out situation and investment banking assignments. He graduated from HEC in 1980. He is the CEO of Real Assets Investment Managers SAS, Global of Real Estate at Tikehau Investment Management SAS and senior advisor of Soposa, the property arm of Tethys.

**Directorships in listed companies:** None.

**Core competencies:** Investment and asset management, real estate development, merchant and private banking.



Tommy Wong Yun Shing

## Executive Director

*Appointed Director on 12 November 2014 | Chief Finance Officer*

Tommy Wong holds a BSC degree from the London School of Economics and is a fellow member of the Institute of Chartered Accountants of England and Wales. He acquired his working experience as a chartered accountant in UK with Deloitte before returning to Mauritius. Prior to joining SUN, he served as partner in Deloitte Mauritius, where he oversaw the corporate finance department together with the auditing of some publicly listed companies and large corporations. In July 1998, he joined the Executive team of SUN to take over the responsibilities of finance, project studies and the group accounts. As Chief Finance Officer of the Group, he supervises the finances, legal and treasury of the group as well as some operational responsibilities. Having held the position of President of the Association des Hoteliers et Restaurateurs de L'île Maurice (AHRIM) previously, he is still an active Board member and acts as the treasurer and chairman of the finance committee.

**Directorships in listed companies:** None.

**Core competencies:** Corporate finance, accounting, audit, legal, treasury, business and management, strategic development.

## Senior Leadership Team/Executive Directors

Chief Executive Officer: Please refer to the profile of Francois Eynaud under the Directors' profile section.  
Chief Finance Officer: Please refer to the profile of Tommy Wong Yun Shing under the Directors' profile section.

## Succession Planning

The Board assumes its responsibility for succession planning which is a systematic effort and process of identifying and developing candidates for key leadership positions over time to ensure the continuity of management and leadership in an organisation. The objective of succession planning is to ensure that the organisation continues to operate successfully when individuals occupying critical positions and hard to replace competencies depart. As part of its terms of reference, the Corporate Governance, Ethics, Nomination & Remuneration Committee has reviewed the succession plan for key executives of the Group. Top 20 roles, the Senior Management team, were, in the first place identified to kick-start the succession planning process as part of a long-term initiative to prepare potential candidates. The job incumbents in the current Top 20 roles (except the new recruits) went through an evaluation exercise in view of assessing their potentials as well as understanding their ambitions to better address their personal/ career development plan. The outcome of this exercise has also been considered.

The following was also carried out:

- a Talent Management Review in collaboration with the General Managers in Business Units (for employees at Head of Department level); and
- a career chat with the Head of Departments, both to understand their ambitions and as career counselling. The output of this exercise was also considered in the identification of the successors.

The successors were identified in 4 categories, namely:

<b>Emergency</b>	The individual is ready to step into the role/job/position in case of an emergency vacancy but may not be the most suitable successor long-term. Typically oversees role for 3-6 months pending permanent replacement.
<b>Ready Now</b>	This indicates that this employee was in the highest level of readiness and could transition into the role with minimal development.
<b>Ready C+1</b>	The employee would be ready for the role within the next two to three years and may include one additional role or assignment for development purposes.
<b>Ready C+2</b>	The employee will be ready for the role in 3 to 5 years and may include one or two additional roles or assignments for development purposes.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Principle 4: Directors' Duties, Remuneration and Performance

### Legal Duties

Directors are made aware of their legal duties upon their appointment and are reminded of same annually when asked to update the register of interests. Several documents and policies have also been implemented to guide them, namely the code of conduct, conflict of interest/related party transactions policy, share dealings policy and board charter.

### Directors' and Officers' Liability Insurance

A liability insurance cover for directors and officers has been subscribed for by SUN and its subsidiaries, as part of the CIEL Group insurance cover.

### Information, Information Technology and Information Security Governance

**Board Information:** The Chairman, with the assistance of the company secretary, ensures that directors receive the necessary information for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

**Information Technology Policy:** There are formalised Information Technology and Information Security Policies in place currently at SUN which are updated on an annual basis. An IT Steering Committee ("ITSC") composed of representatives of management ensures that companies within the Group are involved in critical information technology decision-making which are based on organisational goals. The ITSC meets on a half yearly basis, at which, major information technology investments are considered for approval. A budget for information technology is allocated annually, based on business needs for the financial year. A clear process has been determined to drive information technology projects from start to end, while adopting a cost/time effective approach.

EU General Data Protections Regulations ("EU GDPR"): In compliance with new data protection laws, EU GDPR and the Data Protection Act 2017, SUN has adopted a Group Data Privacy Policy and Personal Data Breach Policy ("the Policies") with a view to promote a privacy culture within the Group and ensures that all clusters, business units and employees protect the privacy of personal information of individuals in their daily operations. The Policies define the Group's requirements regarding the collection, storage, use, transmission, disclosure to third parties and retention of personal information. SUN's Group Risk Compliance & Quality Assurance Manager acts as the Group Data Protection Officer.

### Conflict of Interests/Related Party Transactions Policy<sup>1</sup>

Transactions with related parties are disclosed in the financial statements. A Conflict of Interest/Related Party Transactions Policy has been approved by the Board to ensure that the deliberations and decisions made by SUN are transparent and in the best interests of the Company. It also aims to protect the interests of the Officers from any appearance of impropriety and to ensure compliance with statutory disclosures and law. Notwithstanding the above, directors of SUN are also invited by the company secretary, on an annual basis, to notify the Company of any direct and interest in any transactions or proposed transaction with the Company. Declarations made by the directors are entered in the interests' register which is maintained by the company secretary, and which is available for inspection by the shareholders upon written request to the company secretary.

### Share Dealing Policy<sup>1</sup>

The directors ensure that their dealings in the shares of the Company are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors of Listed Companies, as detailed in Appendix 6 of Listing Rules of the SEM. In that spirit, the Board has approved a Share Dealing Policy that reiterates the procedures to provide clear guidance to the directors and officers of SUN on the practice to be followed when dealing in shares of the Company to avoid the abuse of price-sensitive information (insider dealing). Directors are strictly prohibited to deal in shares of the Company during close periods.

**Note1:** These policies can be consulted on SUN's website.

## Directors' Interests in the Shareholding of the Company as at 30 June 2022

	Direct Number of Ordinary Shares	Indirect Number of Ordinary Shares
Jean-Pierre Dalais (Chairman)	192,301	222,966
P. Arnaud Dalais	139,273	23,656
Guillaume Dalais	Nil	23,656
R. Thierry Dalais	Nil	Nil
L. J. Jérôme De Chasteauneuf	Nil	Nil
Hélène Echevin	Nil	Nil
Francois Eynaud	1,000	Nil
J. Harold Mayer	349,829	Nil
Mushtaq N. Oosman	Nil	Nil
Olivier Riché	Nil	Nil
Jean-Louis Savoye	Nil	Nil
Pierre Vaquier	Nil	Nil
Naderasen Pillay Veerasamy	Nil	Nil
Tommy Wong Yun Shing	248,000 <sup>1</sup>	94,228
Transactions during the FY 30 June 2022	Number of Ordinary Shares Acquired / (Disposed of) Directly	Number of Ordinary Shares Acquired / (Disposed of) Indirectly
Jean-Pierre Dalais	-	200,000
Tommy Wong Yun Shing	(83,048)	83,048

Note 1. 237,500 ordinary shares held under an Executive Share Scheme, pledged in favour of SUN.

### Board Evaluation

A board effectiveness survey was launched during the financial year by BDO (in association with Board Benchmarking) following a tender exercise for the selection of the consultant. The answers were benchmarked by their international database and SUN scored a 76% board effectiveness index. The consultant also tracked the progress achieved on past surveys and defined actions have been earmarked for implementation over the next financial year.

### Remuneration Policy

The underlying philosophy is to set remuneration at the right level to attract, retain and motivate high caliber personnel and reward in alignment with their individual as well as joint contribution towards the achievement of SUN's objective and performance, whilst taking into consideration the current market conditions and the Company's financial position. The directors are remunerated for their knowledge, experience and insight given to the Board and Committee. The fees paid to the directors are submitted to the Board's approval upon recommendation from the Corporate Governance, Ethics, and Nomination & Remuneration Committee. There are no established policies for remunerating executive directors approaching retirement. This will be determined by the Board as and when required.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Remuneration of the Directors

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

Non-Executive Directors	Board Fees (Rs)	Audit & Risk Committee Fees (Rs)	Corporate Governance, Ethics, Nomination & Remuneration Committee Fees (Rs)	Investment Committee Fees (Rs)	Total Fees (Gross – Rs)
Jean-Pierre Dalais (Chairman)	NIL	NIL	NIL	NIL	NIL
P. Arnaud Dalais	150,000	NIL	100,000	NIL	250,000
Guillaume Dalais	150,000	NIL	NIL	NIL	150,000
R. Thierry Dalais	150,000	NIL	NIL	NIL	150,000
L. J. Jérôme De Chasteauneuf	NIL	NIL	NIL	NIL	NIL
Hélène Echevin	150,000	NIL	NIL	NIL	150,000
J. Harold Mayer	150,000	NIL	NIL	NIL	150,000
Mushtaq N. Oosman (pro-rated fee as from date of appointment)	150,000	225,000	75,000	NIL	450,000
Olivier Riché	150,000	NIL	100,000	NIL	250,000
Jean-Louis Savoye	150,000	150,000	NIL	NIL	300,000
Pierre Vaquier	200,000	NIL	NIL	300,000	500,000
Naderasen Pillay Veerasamy	200,000	150,000	200,000	NIL	550,000

The remuneration and benefits paid for the year ended 30 June 2022 to the Executive Directors – namely Mr. Francois Eynaud, CEO and Mr. Tommy Wong Yun Shing – Chief Finance Officer, are made up of the following components: a basic salary representing an average of 71% of the remuneration, a performance bonus representing 14% of same and the difference of 15% comprised pension contributions and other benefits. The total amount paid of Rs. 36.7M is split between the CEO and the Chief Finance Officer 60% and 40% respectively.

To retain and reward its executives while strengthening the mutuality of interests between the latter and the Company, executive directors are entitled to a long-term incentive plan, the details of which are included under note 21(b) of the financial statements.

Jean-Pierre Dalais and L. J. Jérôme De Chasteauneuf are remunerated by CCS, which holds a service agreement with SUN for the provision of strategic support & Group strategy harmonisation, legal, company secretarial and payroll services. They therefore do not perceive Board and Committee fees from SUN.

Non-executive directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

None of the Directors of SUN perceived remuneration from subsidiaries of the Company. In addition to directors' fees, directors are encouraged to experience SUN's resorts and quality standards to assess management's performance and receive an annual hotel and golf allowance. Unused allocations during the year are not carried forward to the following year.

## Principle 5: Risk Governance and Internal Control

### Risk Management

The risk environment of SUN continues to evolve along with the impact of a fading global pandemic, the Russian-Ukraine war and economic challenges in our main source markets. Management continues to closely monitor these developments to proactively identify risks and opportunities and respond with mitigatory actions and risk responses that drive resilience and sustainable value to the stakeholders.

The Group recognises that conducting business carries a level of risk and uncertainty. Effective risk management is vital to deliver SUN's objectives and achieve success through sustainable growth. A risk management framework that clearly defines accountability, and objectives set by the Board including high risk awareness at all levels, helps the Group effectively identifies, measures and monitors risks across its portfolio of resorts and other business units.

### Risk Governance

The Board bears ultimate responsibility for managing risks and is assisted in the discharge of duties by the Audit & Risk Committee ("ARC") which has oversight responsibility for matters relating to risk. Outsourced Internal Auditors support the ARC in assessing the effectiveness of the mitigating controls through regular reviews and recommendations. Risk, Compliance and Quality Assurance function enforces the effective execution of risk management in line with the risk management framework.

### Risk Management Framework

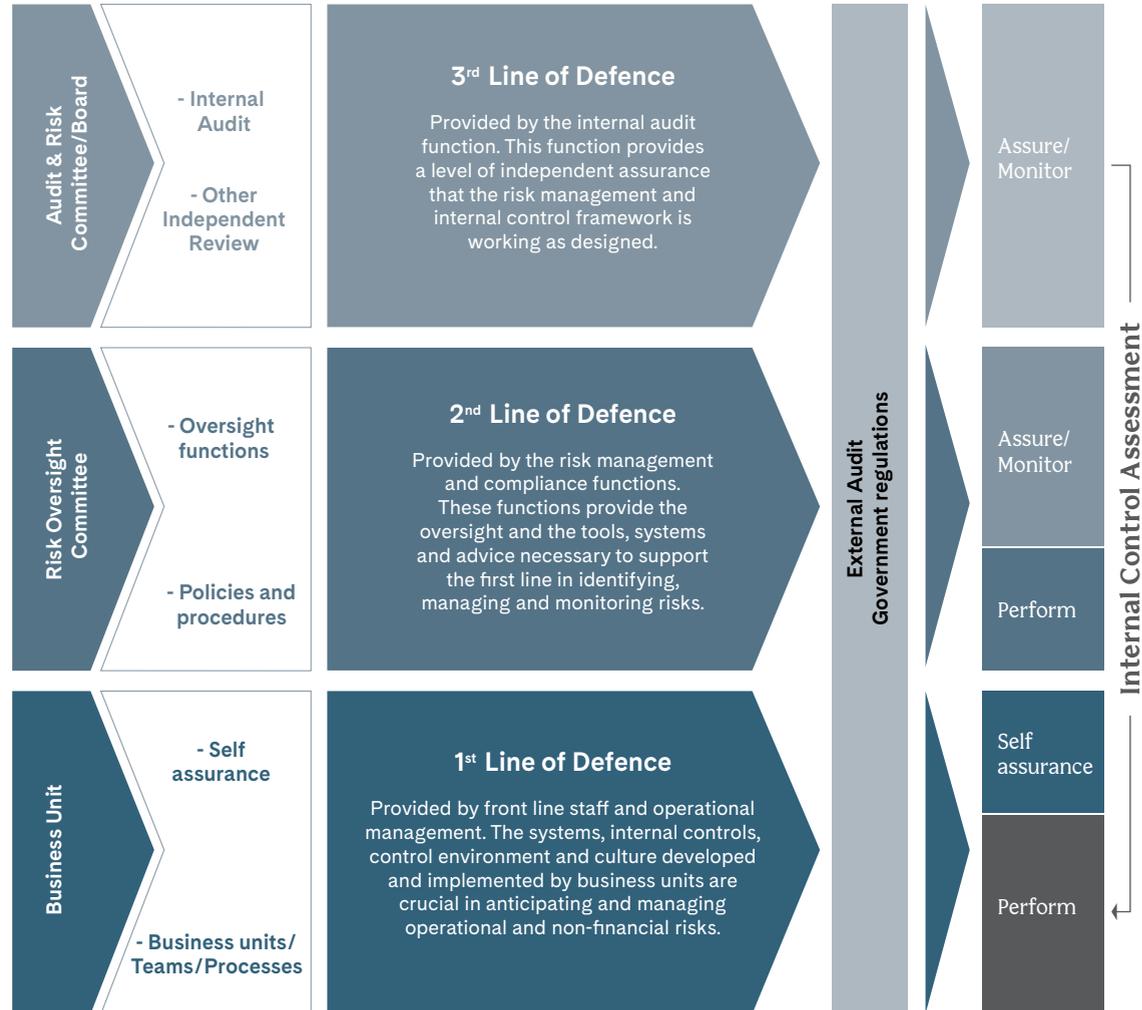
Risk management is governed by a formal framework made up of a risk policy and risk management methodology and procedures that deliver a consistent approach to risk management across all business units. Ongoing assessment and review by the Risk Compliance and Quality Assurance Team ensures alignment with risk management policies and procedures.

Risk is managed proactively within the Group. The individual business units complete an annual review of the risks relevant to the achievement of their business goals, encompassing strategic, finance, compliance and operational risks. The outcomes of these assessments are fed into a robust risk assessment exercise at Group level, whereby risks deemed critical are consolidated and assessed in light of the risk appetite of the Group. This enables SUN to keep up to date with changes in its risk profile and adapt its response where necessary. Actions required to manage these risks are monitored and reviewed on a regular basis and combined with SUN's three lines of defence framework, this provides reasonable assurance in the effective management of risk.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Three lines of defence framework



## Main Risks

The table describes the main risks to which the Group believes it is exposed and the mitigating controls in place to manage these risks. There are other risks that could impact the Group that are not detailed below, either because they are not currently perceived as material or because they are presently unknown.

Risk Description	Mitigation Measures
<b>Strategic</b>	
<b>Volatility in Source Markets due to External Shocks</b> The Group's business will continue to carry a level of uncertainty regarding the impact of the lasting effect of the COVID-19 or any other emerging diseases. The attractiveness of the Mauritian destination faces tough competition with other regional destinations, that could potentially have an adverse impact on the local hospitality sector. Geopolitical tensions are becoming a larger source of disruptions and are expected to impact key source markets. Ukraine -Russia conflict is constraining energy supply and disrupting major transportation routes hence leading to price hikes.	<ul style="list-style-type: none"> <li>Diversification of geographical source markets to have a wider mix of nationalities.</li> <li>Closer collaboration with Government, AHRIM and Tour Operators for timely and up to date information for decision making purposes.</li> <li>Coordinating SUN's efforts with AHRIM, MTPA and the relevant regulatory authorities to revitalise national marketing strategy.</li> <li>Agile and lean business model.</li> <li>Proactively implement strategies to pursue alternate sources of supply hence compensating the impact from Ukraine -Russia conflict.</li> </ul>
<b>Socioeconomic Stability</b> The risk that political/social unrest and terrorism incidents in Mauritius or the surrounding region result in missed performance targets.	<ul style="list-style-type: none"> <li>Business contingency plans are in place.</li> <li>Secure adequate insurance cover for political unrest and terrorism for all resorts.</li> </ul>
<b>Climatic Conditions</b> The risk that natural disasters and inclement weather adversely affect the sustainability of SUN.	<ul style="list-style-type: none"> <li>Securing adequate insurance cover for operating losses resulting from property damage and business interruption.</li> <li>Regular fire, tsunami and cyclone drills are conducted at business units to ensure readiness.</li> <li>Business continuity plans are in place.</li> </ul>
<b>Reputation</b> The risk that comments made on social media have a significant adverse impact on the Group's reputation and attractiveness to guests.	<ul style="list-style-type: none"> <li>Regular monitoring of brand image (social media, reviews, competitor analysis, ...).</li> <li>Strategies in place for guest engagement and management of their experiences.</li> </ul>

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

Risk Description	Mitigation Measures
<b>Strategic</b>	
<b>Changing needs of Travelers</b> The risk that SUN does not capitalise on rapidly evolving needs of travelers, resulting in loss of market share as travelers increasingly prioritise health, safety and cost-effective holiday experiences.	<ul style="list-style-type: none"> <li>Rebranding of all resorts as from Oct 2022 to create unique experiences for guests for each resort.</li> <li>Respond proactively to changing customer preferences to meets their needs.</li> <li>Reassure employees, existing and potential guests of the Group's commitment to safety and wellbeing.</li> <li>Product and rate positioning are refined to correspond with the value proposition of each resort.</li> <li>Coordinating SUN's efforts with AHRIM, MTPA and regulatory authorities to create new messaging, focus on experiential travelers, meaningful holiday offers, sustainability, increase the range of offerings of Mauritius as a prime tourist destination v/s other resort destinations.</li> </ul>

Risk Description	Mitigation Measures
<b>Financial</b>	
<b>Exchange Rate Risk</b> The risk that the continued depreciation of the Rupee creates high sustained inflation leading to increased costs of operations	<ul style="list-style-type: none"> <li>Regular monitoring of fluctuations in exchange rates and hedging the exposure by matching foreign currency earnings and payments.</li> <li>Inclusion of terms in third party agreements to mitigate foreign currency exposure (secure fixed medium-term contracts).</li> </ul>
<b>Inflation Risk</b> The risk that inflationary pressures have a significant adverse impact on the Group's business and operational results.	<ul style="list-style-type: none"> <li>Cost saving strategies.</li> <li>Re engineer processes and products (e.g., maximise on local products, menu reengineering, ...).</li> <li>Supply chain - Lock-in short term and medium-term supplier contracts.</li> <li>Expand supplier base.</li> </ul>
<b>Liquidity Risk</b> The risk that sufficient funds might not be available to meet financial commitments. The Covid 19 lasting impact heightens this risk.	<ul style="list-style-type: none"> <li>Pursue long term funding options and optimise capital expenditure.</li> <li>Renegotiation with our major lenders for restructuring of existing debts.</li> <li>Support from MIC by way of subscription to redeemable convertible bonds.</li> <li>Support from Government for Wages Assistance, COVID-19 support program and state land lease waiver.</li> <li>Negotiation with major suppliers for extended credit terms during crisis and suspension/reduction of existing contracts.</li> <li>Reducing debt level and strengthening the balance sheet.</li> </ul>
<b>Credit Risk</b> The risk of customers defaulting on payments, resulting in losses.	<ul style="list-style-type: none"> <li>Stringent credit policy and procedures in place.</li> <li>Promote e-commerce and improve website to foster on B2C.</li> <li>Credit insurance being reinforced.</li> </ul>

Risk Description	Mitigation Measures
<b>Compliance</b>	
<b>Non-Compliance</b> The risk of non-compliance to regulatory obligations and guidelines, resulting in an adverse impact on the reputation and sustainability of the Group.	<ul style="list-style-type: none"> <li>Policies, procedures and controls in place to reduce risk of non-compliance.</li> <li>Support from legal advisers and insurers.</li> <li>Implementation of clear framework to manage regulatory issues.</li> </ul>
<b>Occupational Health and Safety</b> The risk of non-compliance to health and safety procedures, resulting in an adverse impact on the reputation and sustainability of the Group.	<ul style="list-style-type: none"> <li>Ensure that health and safety policies are adequate.</li> <li>Conduct of independent periodic audits and addressing of gaps identified through training.</li> </ul>
<b>Operations</b>	
<b>Attraction and Retention of Skilled Employees</b> The risk of not being able to attract and retain skilled employees, adversely impacting guest experiences and performance.  This is an ongoing challenge in the hospitality industry. The younger generations are not keen to join the hospitality sector.	<ul style="list-style-type: none"> <li>Communicating SUN Brand Value proposition more effectively through social media to attract talent.</li> <li>Providing flexible working conditions and a more attractive working environment.</li> <li>Exploring alternative sources for recruitment and selection of candidates (e.g., foreign labour).</li> <li>Ongoing investment in talent and competency development.</li> <li>Connecting with our new talents through a more dynamic onboarding programme.</li> <li>Mentoring plan for all new recruits.</li> </ul>
<b>Technology and Data Risks</b> The risk of cyber-attacks, resulting in disruption to activities, reputation damage and financial losses.  This risk has been compounded by the increased level of remote working.	<ul style="list-style-type: none"> <li>Third party cyber security assessment conducted.</li> <li>Well-defined cyber security incident response process in place.</li> <li>Group level initiatives for training employees and creating staff awareness on the importance of maintaining information security and handling of sensitive information.</li> <li>Implementation of monitoring tools to monitor network and regular testing.</li> </ul>

## Opportunities

The recent recovery of tourism in our source markets reflects the pent-up demand and the ability of the industry to recover quickly. SUN is capitalising on the opportunities available in the market to strengthen the recovery of the Group through the following initiatives.

## Reimagine SUN Offering

We are creating innovative guest experiences and strong resort concepts to strengthen the recovery of our properties, both on digital and operational mediums. We are adapting our offering to meet with guests' needs in collaboration with our Tour Operator partners.

## A Strong Brand Reinforced by Positive Reviews

SUN has a strong brand presence in the market and is renowned for its unique hospitality legacy.

Praise and excellent reviews from guests strengthen SUN's positioning in key markets.

There are opportunities to develop new markets as well as increase market share in existing markets.

SUN is pursuing these by customising offerings that appeal to targeted markets.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Whistle Blowing

Employees and suppliers can confidentially and anonymously raise concerns that relate to fraud, unethical conduct or business practices and other concerns through the whistleblowing mechanism as detailed in the Code of Conduct<sup>1</sup>. Employees may first raise concerns verbally or in writing with their direct manager or the HR department. If for any reason, they feel that it is not appropriate to make such a report to any of the above-mentioned person or department, they may address their report to the CEO. Again, if they believe that in the circumstances, even the CEO is not the appropriate person to whom they can make a report, they may address their report to the chairman of the Corporate Governance, Ethics, Nomination and Remuneration Committee (“CGENRC”) through a dedicated email: [whistleblowing@sunresorts.mu](mailto:whistleblowing@sunresorts.mu). The CEO liaises with the chairmen of the CGENRC and Audit & Risk Committee to investigate on matters reported when deemed necessary.

Note 1: Available for consultation on SUN’s website.

## Principle 6: Reporting with Integrity

The directors affirm their responsibilities in preparing the annual report (which is published on the Company’s website) and the financial statements of the Company and its subsidiaries which comply with International Financial Reporting Standards and the Mauritius Companies Act 2001. The Board also considers that taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess SUN’s position, performance and outlook. Please refer to the Statement of Directors’ Responsibilities.

## Charitable and Political Contributions

	Subsidiaries		The Company	
	FY 30 June 2022	FY 30 June 2021	FY 30 June 2022	FY 30 June 2021
	Rs’000	Rs’000	Rs’000	Rs’000
Political Donations	-	-	-	-
Other	-	-	-	175

## Sustainability

SUN has long been conscious of its responsibility towards the environment and the communities in which its hotels operate. By virtue of the resorts’ locations on some of the most coveted beaches in Mauritius, the Group has endeavoured to play an integral role in protecting the ecosystems that have enabled it to thrive. This commitment took the form of SUNCARE, a sustainability programme that aims to safeguard the island’s natural, cultural and historical heritage for both current and future generations.

Mauritius, by its nature as a small island state, has not been left untouched by the effects of climate change. Never has this been more obvious than in recent years, as evidenced by increased levels of beach erosion, coral bleaching and the growing frequency and intensity of rains. In parallel, the pandemic has disproportionately threatened the security of already vulnerable and disadvantaged populations, exposing the underlying fragilities of our social systems. With this in mind, SUN has pledged to take its sustainability commitments further than just compliance, donations or a tick-the-box exercise.

To achieve this, its actions are carried out under the same three pillars as CIEL Group:

- Champion inclusive growth
- Activate climate response
- Foster a vibrant workforce

Besides aiming to simply reduce its impact, SUNCARE sets out ambitious goals that will drive meaningful and far-reaching impacts on the environment and all the stakeholders who live in and around our resorts. The very first project borne from this desire was the SUN Children Cancer Trust, set-up in 2008 following the diagnosis of one of the employees’ children. To this day, providing adequate healthcare and treatment to children suffering from cancer became the Group’s North Star.

Other long-term projects were set up to empower our communities. Coral farming and endemic tree-planting are only a few examples of how Sun Resorts is trying to restore our ecosystems to their former glory. Similarly, Smart Climate Agriculture is one of many projects that encourages neighbouring communities to pursue farming as a major source of food and income, paving the way for our resilience.

To engender lasting change, SUNCARE embeds sustainable practices into all aspects of the business, from its strategy and decision-making to the workforce’s daily behaviours and interactions with guests. As members of the UN Global Compact and the CEO Water Mandate, our practices adhere to the highest international standards, including the 17 SDGs.

Recognising that sustainability is a continuous journey, Sun Resorts is committed to continue playing its part in building a greener, more inclusive world.

## Principle 7: Audit

### External Audit

Upon the recommendation of the Audit & Risk Committee (“ARC”), the Board nominated PricewaterhouseCoopers Ltd (“PwC”) as external auditor of the Company, in replacement of BDO & Co, for approval at the Annual Meeting of shareholders (“AMS”) of the Company held in December 2017. In accordance with Section 200 of the Companies Act 2001, PwC was re-appointed external auditor of the Company for the financial year ended 30 June 2022 at the last AMS of the Company held in December 2021. The automatic reappointment of PwC as auditor of the Company for the financial year ending 30 June 2023 will be submitted for approval by the shareholders at the forthcoming AMS in December 2022.

The ARC monitors and approves the fees paid to the external auditor for all audit and non-audit services. The ARC gives the adequate comfort to the Board that PwC has the relevant policies in place with clear guidelines to ensure that its independence and objectivity as external auditor of the Company/Group is preserved. In that respect, the external auditor limits the scope of services it may provide to the Company and its subsidiaries, stipulating certain permissible types of audit-related and non-audit services, including tax services and other services that have been agreed by management and validated by the ARC. A separate team of PwC ensures the non-auditing services extended to SUN for transparency and governance best practices.

The external auditor, whose audit report is included in the financial statements of SUN, is responsible for providing an independent opinion on these financial statements. The external audit function offers reasonable assurance on the fair presentation of the financial statements. Pursuant to the revised International Standards on Auditing, ISA 701, the auditor’s report also includes the key audit matters which are those matters that, in their professional judgement, are of the most significance in the audit of the financial statements.

These key audit matters, including any change in accounting principles, have been discussed and reviewed at a special ARC meeting of SUN in August 2022 with the members of the ARC in the presence of the management team, to ensure that there was a mutual understanding between SUN’s team and PwC’s team as to the relevant accounting treatments/principles, prior to finalising the audited accounts.

The external auditor is then invited to present its final report as well as to brief the members on the management letter points and the key audit matters at the ARC meeting convened for the review of the final draft of the audited accounts of SUN. The external auditor is also present at the annual meeting of shareholders of SUN for any queries from the shareholders.

### Internal Audit

The internal audit function is performed by Ernst & Young (“EY”) which supports SUN in achieving its objectives, identifying, and managing major risks; and complying with policies, laws, and regulations. EY reports directly to the ARC and administratively to management. It prepares an annual plan of its activities that is reviewed and approved by the ARC to ensure the inclusion of material risk areas and acceptable coverage of the business processes. The ARC also oversees the appointment, performance and independence of the internal audit function, as well as the completion of the approved internal audit plan. The ARC is a recipient of the reports that detail the outcomes of the internal audit assignments, with a view to overseeing that the gaps identified are effectively remediated on a timely basis by management to contain risks. In addition to areas covered by the annual internal audit plan, the ARC may request the internal audit function to review other areas it requires insights on.

The internal auditor has unrestricted access to the Company’s records and information, as well as to employees and the management team of SUN to enable it to deliver effectively.

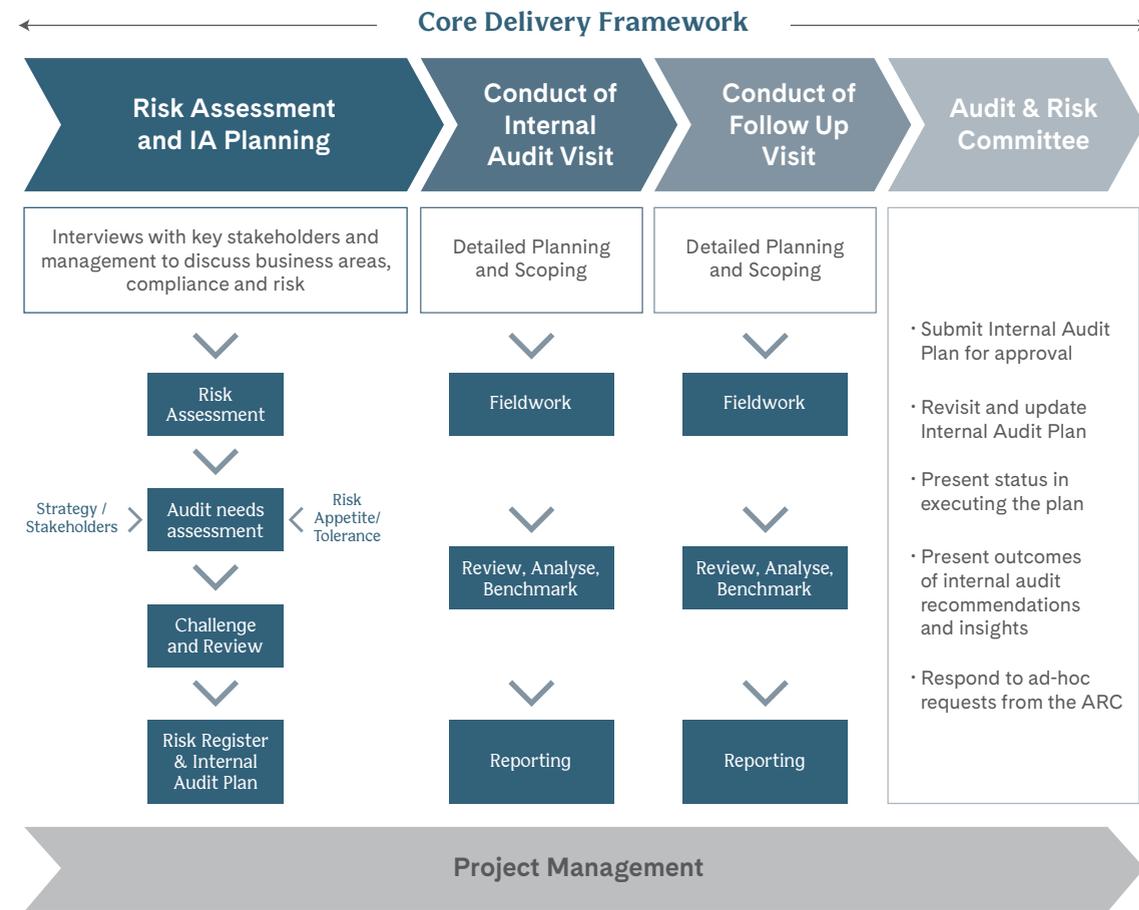
# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

The internal audit function adds value to SUN by helping management answer the following key questions related to the areas reviewed by the internal auditors:

- What risks are we exposed to?
- How effective are our controls in containing the key risks?
- What are the root causes of the control gaps observed?
- What do we need to do to better contain these risks?
- How can we make better use of what we have?
- How can we do things better?
- How can we build resilience?
- How do we compare to others?
- What are the leading practices we could adopt?

The framework adopted by the internal audit function is summarised as below:



Preparation of the internal audit plan involves conducting a risk assessment exercise at Group and entity levels in order to identify and rank the main risks they are exposed to, and thereby identify what areas need to be audited and in what order of priority. Highly ranked risks that have corresponding auditable controls are typically prioritized for being audited. This exercise involves collaboration amongst the members of the ARC, the internal audit function and management to draw out consensus on what are material risks areas that warrant attention from the internal auditors.

The internal audit function typically executes its internal audit assignments through the following 5 main phases consistent with its methodology, which is simultaneously aligned to the Institute of Internal Auditors (IIA) standards and leading internal audit practices.

	Plan and Scope	Conduct Fieldwork	Review Findings	Issue Report	Conduct Follow-up
<b>Approach</b>	<ul style="list-style-type: none"> <li>Meet with appointed contact person to agree on audit project scope, objective and communication protocols</li> <li>Confirm appropriate resources required to execute the audit program</li> <li>Agree audit timelines</li> </ul>	<ul style="list-style-type: none"> <li>Conduct understanding interviews and review key business documentation</li> <li>Formulate audit programs including risk and control matrices (RACM)</li> <li>Assess the design of controls through interviews with relevant personnel, review of process documentation and 'walkthrough' of the control</li> <li>Assess the effectiveness of controls in operation via execution of the test work program</li> </ul>	<ul style="list-style-type: none"> <li>Review and analyse findings from fieldwork conducted</li> <li>For issues identified, perform root cause analysis and impact analysis to understand the materiality and 'why' the issue has occurred</li> <li>Identify any compensating controls associated with the preliminary findings</li> <li>Draft the report in a pre-agreed format and structure</li> <li>Submit draft report to management for preliminary comments and validation</li> </ul>	<ul style="list-style-type: none"> <li>Close comments and agree with management on content of draft report</li> <li>Collect management comments and remediation actions, and include these in the internal audit report</li> <li>Finalise the report and release</li> </ul>	<ul style="list-style-type: none"> <li>Agree with management timing for follow-up audits</li> <li>Agree which remediation actions have been implemented to date and plan to independently confirm that these are operating effectively</li> <li>Interview relevant management for status update inquiry and determine required test</li> <li>Verify that action plans for each finding have been implemented</li> <li>Verify reasons for failing to implement any action plans and recommend way forward to close out any remaining issues</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>Mobilize the project team and assign roles</li> <li>Confirmed scope and objectives</li> <li>Project schedule, plan and timelines</li> </ul>	<ul style="list-style-type: none"> <li>Audit program including RACM</li> <li>Audit Working Papers and supporting documents</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary List of Issues</li> <li>Draft Audit Report</li> </ul>	<ul style="list-style-type: none"> <li>Final Audit Report including management actions</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up Report including the status for each action plan within the issued reports</li> </ul>

← Continuous project management and status updates as agreed in communication protocol →

Remedial actions to address findings are identified with the relevant management teams, who assign responsibility and a deadline to each action in order to enforce accountability for remediating these gaps. The internal auditor also conducts desktop follow-up reviews on those audit exercises conducted to ensure that the necessary remedial actions have been duly and effectively implemented.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

EY has a specialist team of internal auditors in Mauritius who are part of a larger multi-disciplinary consulting team, which it leverages to ensure that the internal audits conducted at SUN are resourced with the appropriate mix of experience, knowledge and skills. Members of this team are university graduates who hold recognised international qualifications in their respective fields (e.g., ACCA, Institute of Chartered Accountants of England & Wales, Certified Internal Auditors (CIA), Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC)). This team is able to advise SUN on improvements needed, and share leading practices based on first-hand experience of working across many geographies for EY clients. Members of this specialist team are continuously trained in leading practices related to internal audit.

EY maintains the independence and objectivity of its staff who are part of the internal audit team through strict EY independence related policies that apply to all staff, regular training and awareness raising on these subjects, as well as regular verification of the compliance of partners and executives with EY independence related policies.

The internal auditor introduced surprise spot checks in its audit plan for the FY 30 June 2022 to assess the extent to which control owners were operating baseline controls effectively following a long period of relative inactivity due to closed borders and pandemic related lockdowns.

The following audit reviews were carried out and analysed at the ARC meetings during the year under review:

- Review of the IT disaster recovery plan
- Spot check review of the inventory process at Long Beach Resort
- Spot check review of the payroll process at Head Office
- Spot check review of the procurement process at Head Office and Sugar Beach Resort
- Spot check review of the cash handling process at Long Beach Resort/ Sugar Beach Resort/La Pirogue Resort and Ambre Resort

## Principle 8: Relations with Shareholders and Other Key Stakeholders

### Shareholding Structure as at 30 June 2022

Issued share capital as at 30 June 2022: 194,545,072 no par value ordinary shares, including 20,118,546 treasury shares.

### Substantial Shareholders as at 30 June 2022

Shareholders holding more than 5% of the stated capital of SUN as at 30 June 2022 were:

Name of Shareholder	Number of Shares Owned (Excluding Treasury Shares)	% Holding
CIEL Limited	87,387,690	50.10
Di Cirne HLT Ltd	30,558,768	17.52

### Common Directors within the Holding Structure as at 30 June 2022

Name of Directors of SUN	CIEL Limited	Di Cirne HLT Ltd
P. Arnaud Dalais	√*	
Jean-Pierre Dalais	√	
Guillaume Dalais	√	
R. Thierry Dalais	√	
L. J. Jérôme De Chasteauneuf	√	
Olivier Riché		Nominee
J. Harold Mayer	√	
Jean-Louis Savoye	√	√

\*Chairman

### Shares in Public Hands

In accordance with the Listing Rules of the SEM, more than 25% of the shareholding of SUN is in the hands of the public.

### Shareholders' Agreements

CIEL Limited, Dentressangle Initiatives SAS and Di Cirne HLT Ltd have entered into a shareholders' agreement to regulate their respective rights and obligations in respect of their shareholdings in SUN (usual reserved matters, dividend policy, lock up period of 4 years, tag along and drag along rights).

### Related Party Agreements

- SUN holds an agreement with CCS (a subsidiary of CIEL Limited) for the provision of strategic support & group strategy harmonisation, legal and company secretarial to the companies of the Group. An amount of Rs. 8m was paid to CCS for the financial year. This fee also covers the time allocation dedicated to SUN by Jean-Pierre Dalais and L. J. Jérôme De Chasteauneuf, who are currently employed by CCS. No Directors fees are paid to them by SUN.
- SUN holds a treasury agreement with Azur Financial Services Ltd (a subsidiary of CIEL Limited) for the provision of cash management services, treasury advisory services and foreign exchange & money market brokerage services to the Group. SUN pays a fixed monthly fee for the cash management together with a variable fee, based on the volume of intercompany transactions processed by Azur Financial Services Ltd for SUN. An amount of Rs. 2.04m was paid to Azur Financial Services Ltd for the financial year.

### Shareholders' Information and Calendar of Events

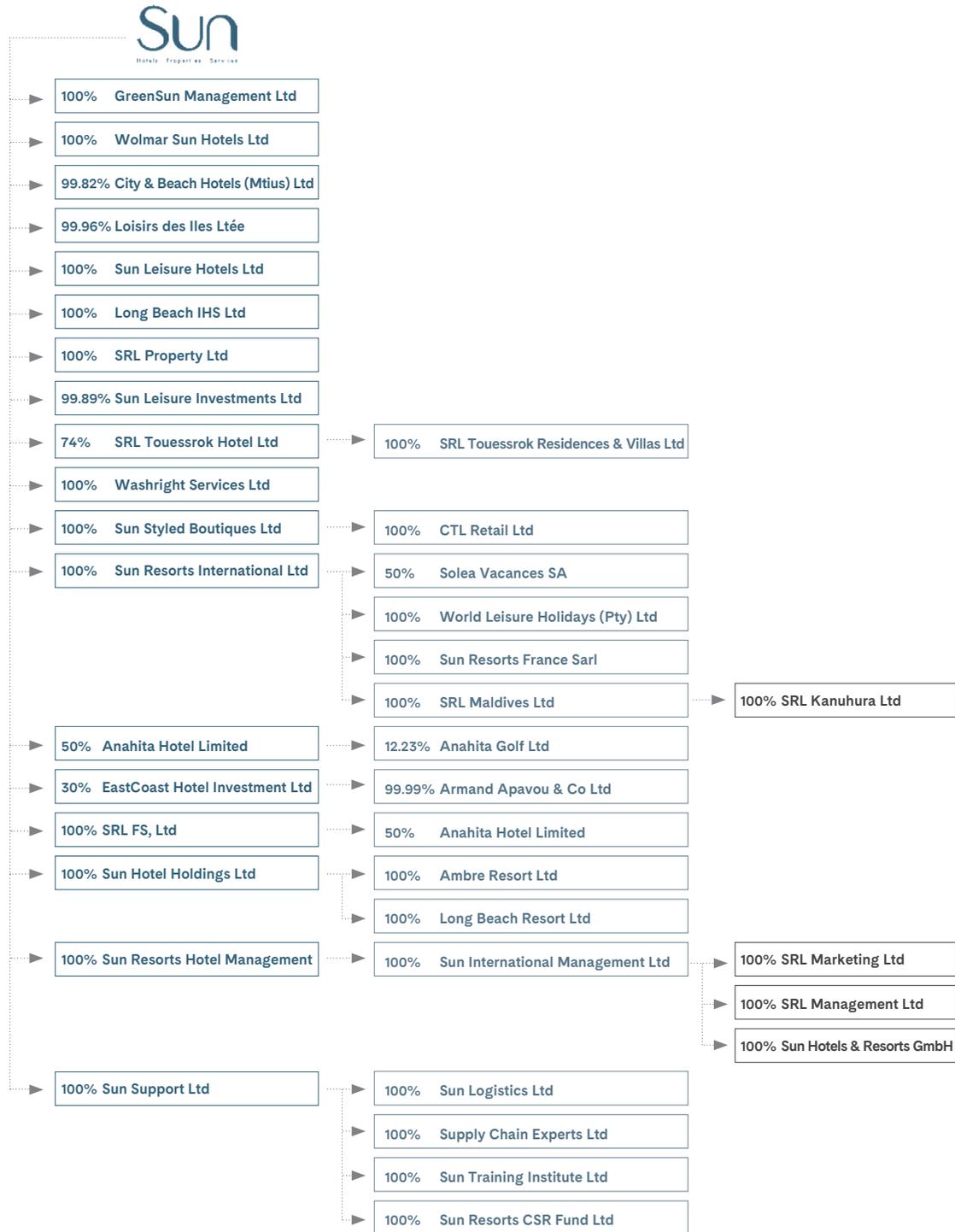
Event	Month
Publication of first quarter results to 30 September	November
Annual Meeting of shareholders	December
Publication of half-yearly results to 31 December	February
Publication of third-quarter results to 31 March	May
Publication of end-of-year results	September

During the financial year, shareholders were convened at the annual meeting on 16 December 2021. The notices, including the agenda, were published in the press, in line with statutory requirements. The resolutions submitted to the approval of the shareholders were all approved by the requisite majority.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Group Structure as at 30 June 2022



Note: SRL Touessrok IHS Villas Ltd (held 100% by SRL Touessrok Hotel Ltd) was incorporated on 26 July 2022.

## Key Stakeholders

SUN is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner. SUN's key stakeholders and the way it has responded to their expectations are described below:

<b>Shareholders</b>	SUN communicates to its shareholders through its annual report, annual meeting of shareholders ("AMS"), press announcements, publication of unaudited quarterly, audited abridged financial statements and its website hosted at <a href="https://www.sunresortshotels.com/en">https://www.sunresortshotels.com/en</a> . The Company's AMS remains foremost the ideal platform for shareholders to interact with Board members and the management team on matters pertaining to SUN and its performance. Shareholders are strongly encouraged to attend the AMS to remain updated on SUN's initiatives/projects and goals. Notices of shareholders' meetings are posted/emailed to the shareholders within 21 days of holding the meetings and include the resolutions to be transacted at the said meetings. Notices are also published in the press by virtue of Listing Rule 11.16 and Rule 14(a) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The notice for the AMS held on 16 December 2021 was included in the annual report, itself posted on the Company's website. The minutes of proceedings of the last AMS are available for inspection by the shareholders who may also opt for a copy by written request to the Company Secretary, CIEL Corporate Services Ltd, 5 <sup>th</sup> Floor, Ebène Skies, Rue de l'Institut, Ebène.
<b>Financial Partners</b>	Communication with financial institutions and the financial community in general usually takes place through investor meetings on a semi-annual basis following the publication of the quarterly abridged results. The main recurring topic of discussion is financial performance.
<b>Regulators</b>	SUN's business activities are conditional on regulatory requirements meaning that regulators have a high level of influence and interest in the Company's operations. The Company ensures that it complies with regulatory provisions and guidelines in the conduct of its activities.
<b>Employees of the Group</b>	SUN recognises that its workforce is key to its performance and development. During the year, an employee engagement survey has been launched within specific clusters of the Group which provides the basis for improvements in some areas.

## Dividend

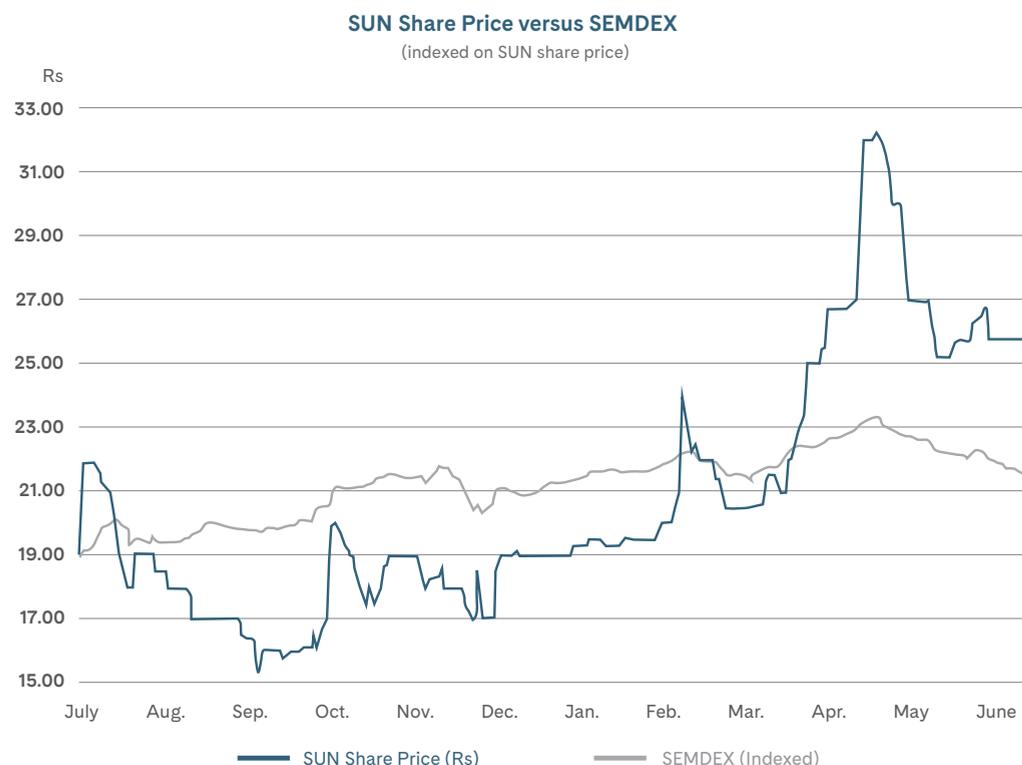
No dividend was declared during this financial year.

# CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022

## Share Price Information

The evolution of SUN's share price versus SEMDEX - indexed on share price of Rs. 19.00 on 1 July 2021.



This report has been approved by the Board upon recommendation of the Corporate Governance, Ethics, Nomination & Remuneration Committee.

Jean-Pierre Dalais  
Chairman

Naderasen Pillay Veerasamy  
Chairman of the Corporate Governance, Ethics, Nomination and Remuneration Committee

Clothilde de Comarmond, ACG  
Group Company Secretary,  
For and on behalf of CIEL Corporate Services Ltd

16 September 2022

# OTHER STATUTORY DISCLOSURES

(SECTION 221 OF THE MAURITIUS COMPANIES ACT 2001)

## Principal Activity and History

The Company was incorporated as a limited company on 10 February 1983 under the name Sun Resorts Limited and changed its name to Sun Limited as evidenced by certificate issued by the Registrar of Companies dated 25 September 2015. SUN is a public company listed on the official market of the SEM and is registered as a Reporting Issuer with the FSC. SUN is the holding company of an established hotel group in the Indian Ocean ("SUN Group"), owning and/or managing six resorts in Mauritius (5\* Luxury Four Seasons Resort Mauritius at Anahita, 5\* Luxury Shangri-La Le Touessrok, Mauritius, 5\* Long Beach Golf & Spa Resort, 5\* Sugar Beach Golf & Spa Resort, 4\* La Pirogue Resort & Spa, and 4\* Ambre Resort & Spa). The Company also holds marketing offices in London, Paris and Frankfurt and representations in Milan, Madrid, Russia, Middle East, India, China, and Japan. SUN also owns two in-house tour operators, namely Soléa, in France and World Leisure Holidays (Pty) Ltd, in South Africa.

## Directors' Service Contracts

The Chief Executive Officer and Chief Finance Officer hold service contracts with the Company without expiry date. To the best of the Company's knowledge, there was no contract of significance subsisting during the year to which the Company or its subsidiaries was a party and in which a Director was materially interested, either directly or indirectly.

## Shareholding Profile

### Ownership by Size of Shareholding

	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
1 - 500	8,111	1,195,912	0.6856
501 - 1,000	1,448	1,027,138	0.5889
1,001 - 5,000	1,522	3,442,003	1.9733
5,001 - 10,000	358	2,522,878	1.4464
10,001 - 50,000	342	7,249,639	4.1563
50,001 - 100,000	51	3,485,987	1.9985
100,001 - 250,000	34	5,199,347	2.9808
250,001 - 500,000	8	2,575,162	1.4764
Over 500,001	18	147,728,460	84.6938
<b>Total</b>	<b>11,892</b>	<b>174,426,526</b>	<b>100</b>

### Ownership by Category of Shareholding

Category	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
Individuals	11,292	16,301,341	9.3457
Insurance and Assurance companies	14	8,619,787	4.9418
Investments and Trust companies	73	4,628,188	2.6534
Pensions and Provident funds	55	22,002,465	12.6142
Other Corporate Bodies	458	122,874,745	70.4450
<b>Total</b>	<b>11,892</b>	<b>174,426,526</b>	<b>100</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 2022 was 11,892.

## Directors of Subsidiaries as at 30 June 2022

Directors of subsidiaries as at 30 June 2022 are listed in Annexure A.

## Audit Fees as at 30 June 2022

	The Company		Subsidiaries	
	FY 30 June 2022 Rs'000	FY 30 June 2021 Rs'000	FY 30 June 2022 Rs'000	FY 30 June 2021 Rs'000
<b>Local External Auditors</b>				
Audit Fees	1,050	725	5,549	4,077
Other Services*	43	42	504	477
<b>Local Internal Auditors</b>				
Audit Fees	120	120	1,058	864
Other Services	-	-	1,305	1,563
<b>Foreign External Auditors</b>				
Audit Fees	-	-	2,473	2,613
Other Services*	-	-	157	213

\* The current year fees in respect of other services from external auditors pertain to tax advisory services.

## Major Transactions under the Mauritius Companies Act 2001

SUN did not enter into any major transaction during the financial year under review.

## Share Registry & Transfer Office

SUN's Share Registry and Transfer Office is administered by MCB Registry & Securities Ltd. If you have any queries regarding your shares, wish to change your name or address, or have questions about lost certificates, share transfers or dividends, you may contact either your Investment Dealer or the Share Registry and Transfer Office, whose contact details are as follows:

MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building 9-11 Sir William Newton Street, Port Louis, Tel: +230 202 5640

On Behalf of the Board,

Jean-Pierre Dalais

Chairman

Mushtaq N. Oosman

Chairman of the Audit & Risk Committee

16 September 2022



