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Promoting Corporate Governance across the board

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Engaging with Shareholders - A Guide for Boards

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1. EXECUTIVE SUMMARY

1.1 The Changing Environment

Retaining the interest, respect and trust of shareholders is essential for good corporate governance. Shareholders are entitled to seek the assurance that the stewardship of their investment is professional, ethical, and legitimate and well administered by directors who understand their roles and responsibilities and especially their fiduciary duties.

Boards should of course have due regard to all stakeholders, not just shareholders. The Report on Corporate Governance for Mauritius states that *"Corporate Governance is now a question of recognising the relationship between a corporation and stakeholders and dealing consistently on a holistic basis to align the different interests of each group"*. And it is an essential role of the board to identify all the corporation's stakeholders.

However, over the last few years, due to new developments in the global environment, shareholder engagement has taken a new dimension with the relationships between shareholders and issuers demanding more attention. This new wave of company-shareholder engagement is reshaping the governance landscape. The global financial crisis has increased the scrutiny of boards and company performance. At the same time, there is a growing interest in the intangible, non-financial aspects of corporate conduct and performance, including sustainability, and environmental, social, community and governance policies (commonly referred to as ESG).

Shareholder engagement has always been a fundamental element of the system of corporate governance. Shareholders appoint directors to control companies on their behalf and directors are fully accountable to their shareholders for this delegated authority. But the modern business world is complex and requires more effective engagement with shareholders. What is especially new is the extent to which shareholders are demanding greater information on a wide range of subjects and the technology and social media which facilitates the flow of information.

Thus, as part of a growing international trend, many shareholders want a greater say in the governance of companies in which they invest and boards need to be able to respond in ways which do not compromise their mandate and duties.

"Engaging with shareholders is one of the ways in which companies demonstrate their performance and accountability. When the engagement is effective and an understanding is reached between both parties, boards are better able to secure shareholder confidence and trust. The result is greater support for overseeing the company's affairs and allowing greater focus on further successes of the business" (Source: Jennifer Stafford "Engaging with Shareholders")

While this Guide represents best practice on a world wide scale and while certain practices will seem very advanced for Mauritius, the overall purpose of this Guide is to encourage boards to review their approach to shareholder engagement and adopt proactive and effective strategies to enhance their relationship with their shareholders. If Mauritius is to become a high income country, companies need to understand and adopt, as appropriate, global international standards. While this Guide focuses uniquely on shareholder engagement, the principles are equally relevant to enhancing engagement with other stakeholders.

A special resource pack designed to assist with the practical implementation of this Guide can be downloaded from the MIoD website (*www.miod.mu*).

1.2 What is Shareholder Engagement?

"Shareholder engagement refers to all the ways that shareholders can communicate their views to the board and that boards can communicate their perspectives to shareholders (in addition to existing investor relations activities and processes)". (Source Andrew J. MacDougall LL.B and Robert Adamson LL.B, LL.M - Directors Briefing -Shareholder Engagement)

In simple terms, "Shareholder Engagement" is a strategy used to open channels of communication between a shareholder and a company to improve not only the financial, but also the environmental, social and governance (ESG) performance of the company and to build shareholder loyalty.

In developed markets, shareholder engagement has traditionally consisted of attending analyst conference meetings, quarterly earnings meetings and the annual meeting of shareholders. Now, more often, shareholders are meeting one-on-one with representatives of the companies in which they invest. In this new era of corporate governance, shareholders are demanding personal interaction with directors and not just the Investor Relations Officer (IRO) or members of the management team. They are providing more input into corporate governance decisions and gaining more access to management teams and directors. They are using these engagement and proxy disclosures to evaluate the company's governance practices and board effectiveness.

This 'adoptive' approach in shareholder engagement develops a new rapport between company and shareholder by establishing a respectful relationship and increasing transparency. Shareholders are able to reinforce and voice their rights and understand their roles better. Companies, on the other hand, benefit by building trust, establishing a mutual understanding and maintaining constructive relationships with investors. By taking these steps, they are able to secure support for proposals that they put to a shareholder vote. At the same time, they are able to identify earlier in the process potential issues that require attention.

1.3 Understanding the Need to Engage

Shareholder communications represent a fundamental aspect of the board's fiduciary duty of supervision. "To discharge their duty, boards must take shareholders' interest into consideration and so directors have an interest in understanding shareholders' views about the company, its governance and operations". (Source Andrew J. MacDougall LL.B and Robert Adamson LL.B, LL.M - Directors Briefing -Shareholder Engagement)

Traditional shareholder communications are no longer enough. Written communications can be viewed as being too legalistic and anachronistic and annual meetings may allow little opportunity for real dialogue and so attendance and interest are low. Shareholders may feel that the company is not really interested in their views and that management filters the real messages which do not reach the board.

The trend for greater shareholder engagement is being driven by greater scrutiny of boards and demands for higher standards of corporate behaviour and more transparency following the financial crisis; by increasing regulatory trends to facilitate shareholder communication as well as national and regional initiatives such as the European Union Shareholder Rights Directive and the United Kingdom Stewardship Code created by the Financial Reporting Council; and finally by technology making communication easier.

Company "engagement" with shareholders is thus becoming a year-round exercise that can cover the full range of the corporate governance spectrum.

Boards therefore need to adopt a proactive approach.

COCA-COLA
Coca-Cola Company delegates engagement to its Director of Corporate Governance, who serves as the mediator between shareholders and the board. This approach is designed to filter out shareholder concerns that are viewed to be less important, while concentrating director time on more important concerns.

2. ROLE OF BOARDS, SHAREHOLDERS AND EXECUTIVES

Shareholders are the source of risk capital and are afforded a special role in corporate governance such as, among others:

- electing the directors and appointing the external auditors;
- approving fundamental changes under corporate law, including changes to the constitution, amalgamations, reorganisations and the sale of all or substantially all of the company's assets;
- approving certain dilutive transactions under stock exchange requirements; and
- the right, under corporate and securities laws, to receive information, including periodic financial reporting.

The OECD Principles of Corporate Governance set out the following basic shareholder rights:

- **secure methods of ownership;**
- **convey or transfer of shares;**
- **obtain relevant and material information on the corporation in a timely manner and on a regular basis;**
- **participate and vote in general shareholder meetings;**
- **elect and remove members of the board; and**
- **share in the profits of the corporation.**

While the shareholders appoint the directors of the company and the board of directors is fully accountable to the shareholders, the company decisions are left to the directors. Shareholders invest in a company with the knowledge that they are entrusting its control to the board. This is an important principle as shareholder participation in business decisions would dilute board accountability and make it impossible for companies with large numbers of shareholders to operate effectively. Moreover shareholders are often a diverse group with conflicting interests. These inherent conflicts of interest are dealt with by delegating authority to the directors and by ensuring, via legislation, that the directors "exercise their powers honestly in good faith in the best interests of the company*" and not in the interests of one shareholder or a group of shareholders (**Source S143, Companies Act 2001*). Directors thus act as representatives of all shareholders, rather than as delegates of shareholder groups, and must act in the interest of all stakeholders to ensure the long term interest of the company.

The board fulfils the stewardship role which includes appointing the CEO and monitoring the performance of the management.

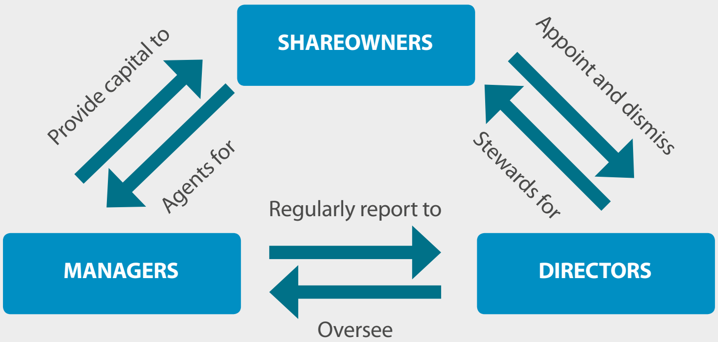


Fig 1.Relationship amongst Boards, Shareholders and Executives (Source: IFC Global Corporate Governance Forum)

In determining the company's policy on Shareholder Engagement, there needs to be a clear demarcation of responsibilities between the board and the management. The board should clearly define its role and that of management in a Shareholder Engagement and Communication Policy which should identify those matters and concerns to be addressed by the board and those matters and concerns to be addressed by management and how Shareholder Communications will be handled and reported. Equally the Disclosure Policy needs to ensure that there is no selective disclosure of material information and proper controls and procedures are in place. (See Policy examples included in the special resource pack designed to assist with the practical implementation of this Guide which can be downloaded from the MIoD website www.miod.mu). Management should have a clear responsibility for implementing shareholder communications, while the board approves the company's Disclosure Policy, oversees the processes for communicating to shareholders, approves the communication and receives feedback from shareholders.

Equally, there may also be challenges and risks which accompany increased board-shareholder engagement. Boards may face even greater difficulty in balancing responsiveness to shareholders and doing what is best for the company in terms of governance practices. Likewise, boards may find themselves under pressure to continue and/or enhance any such increased board-shareholder engagement, which in turn may contribute to considerable time and energy being diverted from other, arguably, more pressing board matters. *(Source: http://www.bna.com/as-institutional-investor-influence-grows-is-now-the-time-for-shareholder-engagement//)*

While the board needs to be fully engaged and accountable to the shareholders, the shareholders do not run the company and the directors must ultimately decide on what is best for the company.

3. UNDERSTANDING SHAREHOLDERS

The shareholding body is generally made up of individuals and institutions whose interests, goals, investment horizons and capabilities vary. So, as a general rule, a company should understand its shareholder base and dynamics, identifying where its significant ownership lies and by targeting specific shareholders.

Shareholders may have divergent private interests and may be individual investors, institutional investors or managed funds, resident or non-resident. Identifying shareholders and underlying ownership may not always be easy due to the ways in which shares are traded and the use of nominee companies. It is important to recognise shareholder diversity and understand their different needs. Directors also have a duty to treat individual shareholders and other stakeholders affected by corporate actions fairly and equitably.

Definition of a Shareholder

The Companies Act 2001 defines in S.99 a shareholder as:

(a) a person whose name is entered in the share register as the holder for the time being of one or more shares in the company;

(b) until the person's name is entered in the share register, a person named as a shareholder in an application for the registration of a company at the time of incorporation of the company;

(c) until the person's name is entered in the share register, a person who is entitled to have his name entered in the share register, under a registered amalgamation proposal, as a shareholder in an amalgamated company.

Becoming a shareholder:

A person becomes a shareholder by:

- **subscribing for shares; or**
- **buying shares from an existing member through a share transfer, and ultimately having his name entered into the share register of the company.**

To develop an effective shareholder engagement plan, the board and management need to understand investors' interests, voting records and engagement approaches.

3.1 Controlling Shareholders

A controlling shareholder has the power to control a corporation by influencing a decision. A controlling shareholder generally controls the composition of the board of directors and influences the corporation's activities. Sometimes, a shareholder who owns a smaller percentage but a significant number of remaining shares in the company can also be a controlling shareholder or a member of a small group of shareholders who collectively own a majority of shares or otherwise have that domination or control. Controlling shareholders of a corporation still owe fiduciary duties to the minority. Transactions and relationships with the controlling shareholder (and/or any of its associates) should be conducted at arm's length and on normal commercial terms.

Shareholder Engagement provides a platform for both the board and controlling shareholders to discuss matters on a level playing field so that other types of shareholders are not penalised.

Controlling Shareholders are defined in the Companies Act 2001 as:

1) those shareholders who (whether with or without the consent or concurrence of any other person) can appoint or remove all the directors of the company, or such number of directors as together hold a majority of the voting rights at meetings of the board of the company; or
2) those shareholders who own one half or less of the voting power of a company when there is:
   a. power over more than one half of the voting rights by virtue of an agreement with other investors;
   b. power to govern the financial and operating policies of the company under any enactment or agreement;
   c. power to appoint or remove the majority of the members of the board of directors or equivalent governing body; and
   d. power to cast the majority of votes at meetings of the board of directors or equivalent governing body.

As per the Financial Services Act 2007, "controller" in relation to a corporation, means a person:

(a) who is a member of the governing body of the corporation;
(b) who has the power to appoint or remove a member of the governing body of the corporation;
(c) whose consent is needed for the appointment of a person to be a member of the governing body of the corporation;
(d) who, either by himself or through one or more other persons –
   (i) is able to control, or exert significant influence over, the business or financial operations of the corporation whether directly or indirectly;
   (ii) holds or controls not less than 20 percent of the shares of the corporation;
   (iii) has the power to control not less than 20 percent of the voting power in the corporation;
   (iv) holds rights in relation to the corporation that, if exercised, would result in paragraphs (ii) and (iii);
(e) who is a parent undertaking of that corporation, or a controller of such parent undertaking;
(f) who is a beneficial owner or ultimate beneficial owner of the persons specified in paragraphs (a) to (e) and who appears to the Commission to be a controller of that corporation.

3.2 Minority Shareholders

A minority shareholder is a shareholder who does not have a controlling stake in the company. A key principle of a corporate governance framework is that all shareholders should be treated equitably, including minority shareholders, and they should have the opportunity to obtain effective redress for violation of their rights.

Again, Shareholder Engagement provides a platform for both the board and minority shareholders to discuss matters on a level playing field.

3.3 Government as a Shareholder

State-Owned Enterprises (SOEs) in Mauritius play a strategic role in the provision of essential goods and services for the betterment of living conditions. The activities of SOEs impact on the quality, accessibility and affordability of services provided to the community, especially the poor and vulnerable. As trustees of public assets, directors of SOEs have the added responsibility, not only to safeguard public goods and assets, but also to ensure the long-term sustainability of their respective organisations.

The OECD Guidelines on Corporate Governance of State-Owned Enterprises provide that the state and State-Owned Enterprises should recognise the rights of all shareholders and, in accordance with the OECD Principles of Corporate Governance, ensure their equitable treatment and equal access to corporate information.

3.4 Individual Shareholders

An individual shareholder is any individual who holds one or more shares in the company. They are also known as Retail Shareholders.

Although their investment in the company may be small at the individual level and generally few of them may be inclined to participate in company outreach efforts, their collective interest in the company may be large and they can be influential when their interests are threatened.

Since all types of shareholders are not homogenous, boards need to be sensitive to this fact and tailor their shareholder engagement practices accordingly.

3.5 Institutional Shareholders

Institutional investors are large entities with significant power to make a difference. As institutional investors have become holders of an ever increasing percentage of public company shares, so has their influence increased with respect to corporate governance matters. This increasing influence clearly reflects the fact that shares representing more than 75 percent of the equity invested in publicly traded corporations worldwide are now held by institutional shareholders.

Institutional investors may effectively use the voting process as a tool to affect outcomes, particularly within companies with weak corporate governance, poor performance, and when contentious proposals related to compensation, anti-takeover and corporate control are on the ballot. By understanding institutional investor preferences regarding corporate governance, companies can make strategic decisions when attracting new investors, and developing strategies to engage with shareholders. Policy makers can consider these findings when evaluating the proxy voting process and the role of large investors. Because institutional shareholders hold their shares on behalf of thousands of individuals or other entities, they owe a fiduciary duty to such beneficiaries and shareholders to ensure the financial security of these investments. As a result, institutional shareholders have a duty not only to monitor the financial performance of the corporations in which they have invested, but also to understand how such corporations are managed. **In respect of Shareholder Engagement, institutional shareholders are much more likely to support current board members if they have been given an opportunity to evaluate the general quality of the board and become comfortable with the board's approach to corporate governance.**

Stewardship Codes and Principles of Responsible Investment

These codes and principles have turned the spotlight on the governance and conduct of institutional investors. These new and evolving standards place the emphasis on transparency and engagement and responsible exercise of voting rights and increases the scrutiny of Annual Meetings agendas and higher levels of shareholder participation at Annual Meetings. For example, see the UK Stewardship Code and the UN Principles for Responsible Investment.

3.6 Creditors/Bondholders

Creditors/Bondholders can become shareholders of the company if they have purchased convertible bonds/debentures issued by the company at date of conversion and upon certain terms and conditions. Their rights are spelt out in the bond agreement as well as in the issuing prospectus. While bondholders have first call on the proceeds of liquidation, some bondholders have senior rights to this money. Other may have rights which rank lowest as in the case of any subordinated debt. **As creditors, bondholders can make demands on a company approaching bankruptcy or already bankrupt if the terms and conditions in the bond document are met.**

3.7 Employees

Employees can also hold shares in the company either directly or indirectly. An employee share scheme is a mechanism provided by a company that enables its employees to share in the success of the organisation.

Companies establish employee share schemes for the following main reasons:

- as an incentive to employees to promote motivation and productivity;
- as a means of recruiting and retaining key personnel, increasing loyalty, reducing staff turnover and recruitment costs;
- to align the interest of employees with that of shareholders to enhance the growth of the company ;
- to create an equity-based corporate culture that spans the company and which is not just reserved for top-tier management;
- to develop more entrepreneurially minded employees; and
- to build a stable shareholder group.

In some cases, employee shareholders represent their specific interests at shareholder meetings. As a result, employees who are shareholders have a stronger voice.

4. SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

Being a shareholder in a company gives rise to certain rights and responsibilities. Those rights, duties and powers of a shareholder are set out in the Companies Act 2001 and in the company's constitution.

In addition to the basic rights of shareholders, as per the Companies Act, it is important that shareholders, present or prospective, refer to the Code of Corporate Governance to have a thorough understanding of their rights, role, duties and responsibilities. Additionally, the Listing Rules have specific rules concerning companies which are on the Official List of the Stock Exchange of Mauritius.

4.1 Duties of Shareholders

The main duty of shareholders is to pass resolutions at general meetings by voting in their capacity as shareholder. This duty is particularly important as it allows the shareholders to exercise their ultimate control over the company and how it is governed and managed.

Generally speaking, shareholders have therefore:
- one vote for each share they hold on a poll at a general meeting;
- the right to an equal share in any dividend; and
- the right to an equal share in any surplus assets – that is, assets that remain when a company has paid its creditors before it is removed from the register.

These rights can be varied as the law provides that the constitution, if there is one, may provide that the rights attached to those shares may be modified or altered. A company may also have different classes of shares with different rights.

Over and above those basic rights, shareholders have the rights to:
- pass resolutions at shareholder meetings;
- vote out directors;
- elect to sell their shares; and
- exercise minority buy-out where dissenting shareholders require the company to buy their shares.

4.2 Extent of the Powers of Shareholders

While the governance of the company is the sole responsibility of the company's board of directors and its day-to-day management is in the hands of the executives, shareholders have little power over how the company is run. However, they can exert significant indirect influence by exercising the rights and powers available to them to ensure the directors and the managers do not go beyond their powers.

Shareholders have no right to participate in the management of a company's business or in its affairs, unless the Act or the constitution allows this, as S128 of the Companies Act provides that directors are appointed to manage the company's business and affairs:

(1) The business and affairs of a company shall be managed by, or under the direction or supervision of, the board.
(2) The board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the company.

However, the company's constitution can provide exceptions or limitations to this principal by giving additional powers to shareholders, namely for:
- the acquisition by the company of its own shares;
- the redemption of shares; and
- giving financial assistance to some other person or company to buy the company's own shares.

The powers reserved for shareholders may only be exercised at a meeting of shareholders or by a resolution passed instead of a meeting.

BLACKROCK
BlackRock Inc. has established a 20-member governance team responsible for, among other duties, enhancing shareholder engagement. A team dedicated to corporate governance can be costly, but it signals that the shareholder engagement is not superficial. BlackRock's initiative echoes the idea of creating an Investor Relations Committee of the board to manage the shareholder engagement process.

4.3 The Right to Ask Questions - Internal Redress

Shareholders are afforded, under S107 of the Companies Act, a reasonable opportunity to question, discuss and comment on the management of the company. The chairperson of the meeting has no discretion on this point, and this right applies irrespective of the provisions of the company's constitution.

In addition, shareholders are entitled to pass a resolution relating to the management of the company. However, the resolution will not be binding on the board of directors, unless carried as a special resolution or provided otherwise in the company's constitution.

Shareholders should bear in mind that the subject of the comments, questions and resolutions under S107 of the Company's Act is limited to the management of the company. They may not use this section to push for the passing of any resolution outside this ambit. However, it would also be contrary to best practice to interpret S107 as a licence to pass, without due notice, a resolution for recommendation to the board on a point affecting the management of the company. Not only would this approach not give the other shareholders (whose vote will be sought on the matter) an opportunity to sufficiently consider the matter raised, but it would also not give management a fair chance to adequately answer and further inform the shareholders' votes. It would therefore be appropriate for any point raised for discussion under S107 to be deferred to another meeting with due notice given to all shareholders in line with the Fifth Schedule of the Companies Act.

4.4 Minority Protection

The law provides a regime which allows minority shareholders to be bought out at a fair price if certain actions have been taken by the company which have not received the approval of the dissenting minority shareholder, such as:

- adopt, alter or revoke the company's constitution;
- approve a major transaction;
- approve an amalgamation;
- put the company into liquidation; and
- shareholder actions requiring unanimous assent.

In addition, there are certain types of actions that shareholders may take if all entitled shareholders agree unanimously. These actions include:

- authorising dividends;
- the acquisition by the company of its own shares;
- the redemption of shares; and
- giving financial assistance to some other person or company to buy the company's own shares.

4.5 Decision-Making Process and Communication

One fundamental aspect of shareholders' rights is their entitlement to receive information about the performance of the company. This information is needed to enable shareholders to use their other rights and powers – such as voting powers – in an informed and constructive way.

The shareholders in a company have a right to information about the financial performance and financial situation of the company and about the company's business.

Much of this information is provided by the annual report and accounts and, in the case of listed companies, by interim accounts for shareholders to use this information to make judgments about how well or badly the company has been run.

4.6 Remedies Afforded to Shareholders - Court Process

4.6.1 Enforcing Rights in Courts

There are a number of ways in which shareholders can take court action against the company to enforce their rights, including:

- applying for an order restraining the company from taking action that would contravene the company's constitution or the Companies Act 2001;
- applying for an order directing the company to take any action that its constitution or the Act requires it to take;
- suing the company or a director for a breach of a duty owed to the shareholder; and
- if the company has acted unfairly or oppressively towards the shareholder, applying for an order that the company must take certain action, such as buying the shareholder's shares or paying compensation or applying for an order for the company's records to be inspected.

4.6.2 Enforcing Rights Outside the Courts

Litigation involving shareholders seeking to enforce their rights is likely to be expensive and time-consuming. It is therefore advisable to consider alternative dispute resolution mechanisms, which may result in an outcome satisfactory to all parties and which does not carry the reputational risks, financial costs and time constraints associated with litigation. Shareholders could therefore consider negotiation, mediation or arbitration. Negotiation will often involve the concerned parties conducting and driving the negotiation meetings themselves to resolve the dispute by bargaining on the competing interest at stake. Mediation will be relevant where both parties, seeking to settle, appoint a neutral trained mediator to guide the parties to a mutually agreed compromise. Arbitration (the private settlement of party disputes, under the terms of an arbitration agreement, by a neutral third party/parties, as arbitrator(s), with no or limited recourse to courts) can be considered where negotiation and mediation fail but where the parties still wish their dispute and its resolution to remain confidential. However, parties must be aware that the arbitrability (i.e. the question whether or not an issue can be resolved by arbitration) of certain corporate disputes, including shareholders disputes, can be a moot point on policy grounds, especially if they are likely to affect the rights of creditors and third parties.

4.7 Shareholder Activism

The Companies Act 2001 provides shareholders with a number of tools that can assist them when engaging with a company. This might prove to be insufficient when dealing with large conglomerates. **To empower the shareholders outside the realm of the corporate structure, shareholder activism has proved, in some jurisdictions, to be a powerful tool for enforcing their rights and even keeping boards on their toes.**

Shareholder activism should be encouraged as it is a way in which shareholders can influence a corporation's behaviour by exercising their rights as owners. Although shareholders do not run a company, there are ways for them to influence the board of directors and management. These can range from dialogue with management to voicing their concerns about a particular issue to formal proposals that are voted on by all shareholders at a company's annual meetings. *(Source http://www.investopedia.com/terms/s/shareholderactivist.asp)*

Shareholder Activism

Shareholder activism is the way in which shareholders can assert their power as owners of the company to influence its behaviour. Activism covers a broad spectrum of activities. Activism includes putting forward shareholder resolutions, openly talking to other shareholders, calling shareholder meetings, private discussion or public communication with corporate boards and management, press campaigns, blogging and other e-ways of public "naming and shaming", ultimately seeking to replace individual directors or the entire board or "voting with one's feet" (exit). In some cases shareholder activism is directed against other large shareholders. Shareholder activism can be collaborative, in particular when it is conducted in private.

5. BENEFITS AND CHALLENGES

5.1 Benefits of Engagement

Shareholders' motivation for engagement is simple – they want to gain information on how the company allocates shareholder resources to generate a return on their investment and in particular they want to understand how long-term corporate strategy will lead to superior financial performance.

The company will also benefit from greater shareholder engagement and according to the Harvard Law School Forum on Corporate Governance and Financial Regulation's paper on" Global Trends in Board-Shareholder Engagement", this includes:

- **Avoiding the unexpected:** Early engagement with shareholders on key issues can lead to a reduced likelihood of unexpected consequences.
- **Balancing time horizons:** Engagement enables the company to provide additional information about its long-term operating strategy. This type of engagement could be especially useful when the board believes that the company's recent short-term financial performance does not reflect strong longer-term opportunities. In turn, shareholders can listen to the board's perspective and ask clarifying questions.
- **Obtaining unique outside advice:** Shareholders can serve as a source of advice. Managers rely on internally generated information to make business decisions

without realising that, over time, their view of the world may become skewed in one direction. Shareholders can provide a unique outside perspective on the company's performance; executives may find value in communicating regularly with informed investors who have a different viewpoint, while directors may obtain a unique source of information that could help evaluate executive performance.

- **Developing trust through enhanced transparency:** Regular engagement can help companies increase investor trust. A board that is willing to hold shareholder meetings outside of the annual general meeting is likely to build a long-term relationship with shareholders, which is thought to be strategically advantageous for many companies.

5.2 Challenges of Engagement

Equally, the paper by the Harvard Law School Forum, clarifies the potential complexities of engagement:

- **Inconsistent messages, uncertain success.** With multiple meetings involving different constituents, there is a possibility that the information shared may be inconsistent. Since investor meetings outside of the annual meeting are two-way conversations not based on a scripted agenda, it is highly likely that different questions and responses will be shared. Similarly, it would be difficult to relay the same message every time a (different) board member sits down with a (different) group of shareholders. It is up to the board to determine how to provide consistent responses while not overly restricting two-way dialogue.
- **Time.** Effective, mutually beneficial engagement with multiple shareholder groups will take time away from other activities. This concern is particularly acute when a company is considering the development of an engagement process for the first time. Too many *ad hoc* shareholder engagement requests can create additional, perhaps excessive, demands from shareholders for executive and director time.
- **Violation of Regulation Fair Disclosure.** A significant risk to frequent shareholder engagement is the potential violation of Fair Disclosure. The concern is that private meetings with institutional investors or other shareholders could reveal information to select parties that remains undisclosed to market participants. If directors share previously undisclosed information in a private meeting with shareholders, the information must be repeated in a public disclosure in a timely manner. Directors do not want to bear this risk, and the cost of breaching regulations, which would likely outweigh the benefit of meaningful shareholder engagement.

Regulations do not prohibit directors from speaking privately with a shareholder or groups of shareholders but directors should be well-informed and aware of what can and cannot be said to outside parties. And they must be adequately prepared for shareholder engagement.

6. BOARD STRATEGY

Whatever the concerns of the different types of shareholders, boards need to formulate an engagement plan and communication strategy to deal with them. The strategy should include:

- **Enhanced disclosure** - by explaining the board's decisions on governance matters, companies can avoid misunderstandings.
- **Preparing for dialogue** - by reviewing investors' policies, voting records, investment strategies and interest in governance before holding any meetings.
- **Deciding who should be involved** - having board or committee members talk with investors when appropriate can help build investor trust and confidence in the board's performance and prevent issues from escalating.

Questions for boards to ask themselves?

- **What avenues currently exist at our firm for shareholders to communicate with management and directors?**
- **Are there better ways to use company and board resources to engage with shareholders?**
- **Could these avenues be improved?**
- **Could other avenues and techniques for shareholder engagement be adopted?**
- **Could existing techniques be improved?**
- **Has the company built goodwill with its shareholders to enable the company to withstand an opportunistic bid or to engender support for major transactions that require shareholde approval?**
- **Does the board receive a regular briefing from the management dealing with investor relations on communications and feedback received from shareholders?**
- **Has the board approved a policy on shareholder engagement that is consistent with the company's Disclosure Policy?**
- **Are there other reasonable steps that can be taken to help shareholders feel more connected to the company and the board?**

- **Ensuring compliance** with legal requirements for disclosure
- **Deciding how the company plans to enhance its engagement with shareholders** and how shareholders can engage with directors including the rules of engagement.
- **Topics for engagement –** the most common are:
  - Board elections, leadership, composition and diversity
  - Corporate political spending and lobbying activity
  - Corporate social and environmental practices and disclosure
  - Executive compensation
  - Audit Committee oversight, particularly enhanced disclosure around related party transactions and the audit-firm relationship.

7. SHAREHOLDER COMMUNICATIONS

The board of directors, in its fiduciary capacity, has the responsibility for overseeing that the communication with key stakeholders of the Company is clear and transparent. It must also ensure that the information it communicates is complete, relevant and reliable. In the early days of limited companies, communication was restricted to the presentation of financial statements in annual reports and the Shareholders' meetings. With the advent of capital markets, communication is driven by regulatory requirements and is more frequent. For instance, listed entities are required to publish quarterly financial statements not later than 45 days after the end of each quarter. Disclosures of non-financial information are also becoming more prominent.

7.1 What do our Laws and Regulations Require?

The minimum information a company incorporated in Mauritius must communicate is set out by laws and regulations, principally by:

- The Companies Act 2001;
- The Financial Reporting Act 2004;
- The Securities Act 2005 (in the case of Listed Companies)

The Companies Act requires the board of directors of every company to prepare, within six months of the end of the reporting period of a Company, an annual report on the affairs of the company during the accounting period ending on that date. The shareholders of a private company or small private company may decide by unanimous resolution not to prepare an annual report. In addition to the financial statements and auditors' report, the annual report includes a report from the directors and mandatory disclosures of certain matters. The directors should report on matters that are material to the shareholders to give them an appreciation of the state of the company's affairs, as long as doing so is not harmful to the company's business and the disclosures include:

- particulars of any directors' service contract;
- the remuneration and benefits received or receivable by the executive directors and non-executive directors of the company from the company and the group; and
- donations made by the company and any subsidiary.

The disclosures required by the Financial Reporting Act 2004 are contained in the Code of Corporate Governance issued by the National Committee of Corporate Governance. The Code applies to Public Interest Entities and, as a result, its disclosure requirements are more extensive than those of the Companies Act. These relate to the group structure, shareholders' and directors' profiles, related party transactions including directors' interests, risk management structure and processes, etc. The Code also requires the directors to present in the annual report a comprehensive and objective assessment of the activities of the company so that all stakeholders can obtain a full and fair view of its performance.

The Securities Act 2005 requires the timely disclosure of any material change occurring in the affairs of a reporting issuer that is likely to have a significant influence on the value or market price of its securities. This is made in the form of a press release that should also be filed with the stock exchange. A reporting issuer can be:

- an entity whose shares or debts are listed in Mauritius;
- an entity that has made an offer of its securities by way of a prospectus;
- an entity that has made a takeover offer by way of an exchange of securities or similar procedure; or
- an entity that has 100 or more shareholders.

A material change includes:

- a distribution of securities in Mauritius or in any other jurisdiction;
- any change in the beneficial ownership of the issuer's securities that affects or is likely to affect the control of the issuer;
- any change of name of the reporting issuer;
- any reorganisation in capital, merger or amalgamation;
- a takeover bid on its own securities or made on the securities of another issuer or issuer bid;
- any significant acquisition or disposition of assets, property or joint venture interests i.e. when the value of the asset, property or interest acquired or disposed of exceeds 10 per cent of the net assets of the reporting issuer;
- any stock split, share consolidation, stock dividend, exchange, redemption or other change in capital structure; and
- any other change that may be provided for in the Financial Services Commission rules.

7.2 Going Beyond the Minimum Legal Requirements

Although companies are already giving a lot of information, investors want more information about the company's performance well beyond what legislation requires. They ask for information to analyse the company's prospects and to assess the quality of directors and management and their ability to create value for them so that they can make investment decisions. Disclosures required by legislation generally focus on past events. While history can be a good indicator of the future, it is important that communication about the company has an orientation on the future to meet the needs of stakeholders. Thus, adopting a legal compliance mindset to corporate reporting will not satisfy the needs of today's shareholders. Forward-looking companies seek ways to turn a mandatory requirement from a burden into an opportunity by going beyond mere compliance and creating real competitive advantage.

Moreover annual reports are becoming increasingly lengthy, not always well written and often difficult to read. This makes them less likely to be read or understood by shareholders, who may be inclined to conclude that the company is not being transparent. **Shareholders want communications that are clear, logically organised and easy to read. Just improving the quality, rather than the quantity, of written disclosures to shareholders can increase shareholder confidence and goodwill.**

7.3 Providing More Relevant Information

While the annual report continues to be a good channel of communication between directors and shareholders, in the current fast moving business environment, shareholders need the latest up to date information and not information which is obsolete by the time they receive it. In Mauritius, annual reports are generally produced no earlier than three months after the end of the reporting period. Listed companies will produce interim financial information that are available quarterly and company announcements will be made to inform the public of important transactions that may influence the company's share price. Directors should therefore assess the need for more regular communication with their shareholders. Indeed, the web and the emergence of mobile devices, apps and social media are changing the way companies and shareholders connect. Innovative companies are now engaging with their investors on social media, such as Facebook and Twitter. Some even have Investor Relations Apps. While directors should embrace these new technologies, they should be wary of the risks emerging from the use of these new technologies as the company may be exposed to adverse criticism that could spread very quickly and damage the company's reputation. Moreover, the directors must ensure that they do not contravene the requirements of the Securities Act 2005 pertaining to material change in the company's affairs, as discussed above.

7.4 Internet and Website Communications (webcasts, podcasts and video)

Corporate websites are now essential tools for communicating a company's information and messages to shareholders, and they are well utilised by shareholders. Most governance information is presented in a similar format to that offered though published documents (e.g. annual report, quarterly disclosures and annual information).

Websites can offer an opportunity for directors to become better known to and to be appreciated by shareholders. Tools already exist to increase the media through which the annual report and other mandatory corporate governance disclosures are accessed by shareholders and which make the experience of viewing the information more personal and interactive. Such examples are webcasts, podcasts and videos, which can also be used for broadcasting the Annual Meeting.

Electronic communication has also been applied in the form of virtual Annual Meetings and live web-based shareholder voting. And in an effort to increase shareholder participation, some companies have tried hybrid virtual meetings, holding a classic physical meeting and incorporating Internet voting to allow non-present shareholders to be directly involved in the process. Companies have also asked shareholders to submit questions to be addressed in its annual meeting via e-mail or company Twitter and Facebook accounts.

7.5 Establishing Communication Policies

The board of directors of listed entities should establish clear communication policies on:

- how and when information is disclosed to analysts, shareholders and other stakeholders;
- what information is released and how management has ensured that the information is reliable; and
- who are authorised to act as the company's spokespersons and how they are trained.

Communications by directors must be also consistent with the company's obligation not to selectively disclose material information. The Disclosure Policy should be communicated to directors, together with guidelines on what constitutes material information and fair disclosure.

In addition, if the company is proposing a public offering, additional constraints will limit shareholder engagement initiatives under securities laws on corporate communications before and during the offering period.

7.6 Integrated Reporting

Integrated Reporting ("<IR>") is the next step in the evolution of corporate reporting. <IR> provides a framework within which more long-term decisions can be made and which provides a more holistic view of how an entity creates value over time.

Both businesses and investors are expected to derive benefits from <IR>. Business will benefit from a reporting environment that is conducive to understanding and articulating their strategy, which helps drive performance internally and attract financial capital for investment. An Integrated Report allows investors to make clearer connections between an entity's strategies, key risks and opportunities, governance, performance and prospects. **The benefit of <IR> goes further than the publication of better annual reports but lies in the integrated thinking on which the process is founded.**

The <IR> framework establishes Guiding Principles and Content Elements that govern the overall content of an Integrated Report. The Guiding Principles set out how an Integrated Report should be prepared and the Content Elements tell what should be included.

GUIDING PRINCIPLES

The following Guiding Principles underpin the preparation of an Integrated Report, informing the content of the report and how information is presented:

- *Strategic focus and future orientation:* An integrated report should provide insight into the organisation's strategy and how it relates to the organisation's ability to create value in the short, medium and long term, and to its use and effects on the capitals.
- *Connectivity of information:* An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organisation's ability to create value over time.
- *Stakeholder relationships:* An integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interests.
- *Materiality:* An integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term.
- *Conciseness:* An integrated report should be concise.
- *Reliability and completeness:* An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.
- *Consistency and comparability:* The information in an integrated report should be presented (a) on the basis that is consistent over time, and (b) in a way that enables comparison with other organisations' own ability to create value over time.

CONTENT ELEMENTS

An Integrated Report includes eight Content Elements that are fundamentally linked to each other and are not mutually exclusive:

- Organisational overview and external environment: what does the organisation do and what are the circumstances under which it operates?
- Governance: how does the organisation's governance structure support its ability to create value in the short, medium and long term?
- Business model: what is the organisation's business model?
- Risks and opportunities: what are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them?
- Strategy and resource allocation: where does the organisation want to go and how does it intend to get there?
- Performance: to what extent has the organisation achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
- Outlook: what challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
- Basis of presentation: how does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Source: The International <IR> Framework

7.7 Annual Meeting

The Annual Meeting is the main channel of communication between a company's board and its shareholders. Among other important meeting activities, shareholders have the opportunity to hear executives and directors discuss recent performance and outline the company's long-term strategy. It is often the most high profile public event on the company's calendar. In rethinking the Annual Meeting, boards should not only question their most basic assumptions and attitudes about shareholders, but also the purpose of the Annual Meeting. The goal of the Annual Meeting should be to initiate and manage the process of change, rather than reacting to external pressure.

This requires the development of a new and constructive mindset in order to:

- consider all the shareholders' needs and goals – understanding your audience is critical to preparing an effective message and gaining support at the Annual Meeting;
- give shareholders sufficient information to make an independent judgement that the job is being done well – their goal is to cast an informed vote on agenda items including the election of directors;
- focus on attracting and retaining the long-term investors who will generally support the company's annual meeting agenda;
- benchmark your company's governance policies and practices, risk profile and performance – understanding your strengths and weaknesses versus other companies will enable you to anticipate shareholders' concerns; and
- provide adequate analysis of any issues on conflicts of interest, related party transactions, ethical problems, accounting policies, performance shortfalls, whistle blower initiatives, and other sensitive matters and be prepared to respond appropriately to questions.

For a successful Annual Meeting, companies must be prepared to simplify, clarify and amplify the information they provide in support of their policies and decisions and they need to go beyond the existing comply or explain approach. Companies need to tell shareholders the compelling story of how the company is being run, how it stands competitively and how the decisions they have made relate to the company's strategy and goals. The board of directors as the elected representatives of the shareholders should take primary responsibility for explaining the company's culture and values and the internal processes by which governance serves strategy.

- **Give directors a voice and defined role at the Annual Meeting and provide a written report that describes each director's expertise and competencies, explains decision making processes and informs shareholders about critical governance issues including compensation, succession planning, related party transactions. The Chairmen of the Board Committees can participate.**

- **Provide a clear and detailed articulation of the company's business strategy and goals; explain how the board's policies and decisions relate to the strategy and goals and how they will benefit the company and the shareholders.**

- **Do not underestimate the amount of time in the planning and preparation required to run a successful Annual Meeting and use the technology available to you to facilitate the flow of information eg the company website and social media such as LinkedIN or Facebook if appropriate.**

- **The day of the week you choose can have a significant impact and you need to take into consideration the cut-off date for proxies. It is critical that your Annual Meeting is run in line with your Constitution and you must ensure adequate notice is given as well as enough time to receive proxies.**

- **Equally managing registration and advance preparation for any voting is essential.**

The level of shareholder support at the Annual Meeting will indicate the degree to which the shareholders' and company's objectives are aligned. The responsibility for a successful Annual Meeting ultimately lies with the board. They should make sure that the Annual Meeting is a platform that informs and educates shareholders, explains the links between governance and business strategy, brings transparency to board room processes and eliminates contentious issues before they arise and get out of hand. A successful Annual Meeting should be a well prepared and tailored event which demonstrates the company's commitment to serving shareholders' interests while achieving the business goals.

7.8 Executive Remuneration

Executive remuneration is a sensitive matter that is subject to close scrutiny by shareholders, employees, regulators, etc. Boards and their Remuneration Committees face a real challenge in establishing appropriate compensation plans that balance the need to reward and retain successful executives and keep them incentivised and the need to satisfy shareholders that have strong views on the level of compensation of executives.

In Mauritius, the Code of Corporate Governance sets out the disclosures which need to be made with regards to:

- the company's remuneration philosophy;
- remuneration criteria for executive directors approaching retirement; and
- remuneration of each individual director.

Disclosures on how executive remuneration is determined are generally not well explained and entities rarely indicate how much of the remuneration is fixed and how much is variable. Remuneration disclosures should therefore explain:

- how the company's remuneration philosophy is aligned with the company's strategy and value drivers;
- whether there is any element of performance-related pay; and
- if there is a mix of short-term benefits and long-term benefits.

8. ENGAGEMENT METHODS

The Shareholder Communications described above are the Company's external communications but these do not provide information to the board regarding shareholder views and they may not address all the concerns of shareholders; nor do they afford an opportunity to clarify any disclosure that shareholders find to be unclear.

In this case other forms of Shareholder Engagement are needed:

8.1 Feedback from Shareholders

This could include:
- the ability for shareholders to write to the Chairman;
- easy to use internet based shareholder surveys;
- confidential whistleblowing arrangements;
- company website feedback forms; and
- social media discussions and shareholder forums.

8.2 Monitoring Shareholder Concerns

This feedback should be provided to the board on a regular basis by management (usually by the IRO or Company Secretary) or by a third party. Management should not filter or block the information and no matter what the topic, directors should receive copies of all shareholder correspondence addressed to them and be made aware of all shareholder correspondence intended for them.

8.3 Shareholder Consultation

It is therefore increasingly becoming best practice to consult with significant shareholders on governance-related topics and to seek more inclusive ways of receiving feedback from shareholders. Consultation provides more information but needs to conform to the company's Communication and Disclosure Polices.

8.4 Shareholder Meetings

Meetings are still the best way to build rapport between shareholders and directors and both directors and shareholders feedback after such meetings is usually positive and beneficial. Meetings may be one to one or for targeted groups of shareholders; organised semi-annually or annually; scheduled to supplement quarterly earnings updates; hosted social events or more informal shareholder meetings; or virtual meetings.

However, the practice of meeting large shareholders in separate meetings should be considered with care as other shareholders may feel that they have the same rights as any other shareholder irrespective of the size of their holding and that they have been unfairly treated by the company.

Measures which might be considered in an effort to avoid selective disclosures may include:

- establishing ground rules for director meetings with shareholders;
- developing agendas for meetings with shareholders so that discussion remains within the framework of allowable issues;
- requiring that corporate counsel and/or the Investor Relations Officer be present at meetings between directors and shareholders;
- where it is proposed that a director meets with shareholders in the absence of management or legal counsel, requiring the presence of at least one other director;
- adopting a "listen only" policy as a means to hear shareholders and their concerns;
- briefing directors on the company's public disclosure record before each meeting with shareholders;
- holding a debriefing immediately after the meeting to determine if selective disclosure or misleading disclosure has occurred and, if so, widely disseminating the information promptly.

Source: CICA [http://www.cica.ca/focus-on-practice-areas/governance-strategy-and-risk/directors-series/director-briefings/item63114.pdf]

8.5 Fifth Analyst Call

Another vehicle for additional shareholder engagement has recently been introduced in North America, Europe and Australia which is called the "fifth analyst call." The fifth analyst call is a conference call hosted by companies in the same manner as the four quarterly earnings calls held by management for analysts. This call, however, is held for institutional shareholders with board members responsible for one or more of the board's governance, compensation or audit functions. The initial concept is to provide shareholders with an opportunity to question independent directors in advance of the annual meeting about information disclosed in the proxy circular and other governance issues, particularly compensation plans. The conference call format is meant to reduce the time and costs associated with face-to-face meetings. The fifth analyst call also serves as an efficient mechanism for companies to reach beyond the handful of their largest shareholders to their broader shareholder base since a recorded call can be easily posted on a company's website for wider market access.

8.6 Shareholder Engagement Policy

Shareholder engagement can take many forms and one way to manage the trend towards increased shareholder engagement, and the related benefits and risks, is to develop a Shareholder Engagement Policy which clearly sets out the company's policies with respect to the receipt and handling of communications with shareholders, including shareholder requests for direct communications with directors.

An example of a model form of engagement policy is set out in the special resource pack designed to assist with the practical implementation of this Guide and which can be downloaded from the MIoD website *(www.miod.mu)*.

KINROSS GOLD
Kinross Gold Corp. holds regular one-on-one and group meetings with institutional shareholders, who are encouraged to provide feedback. The independent chairman is the point of contact between shareholders and the board, while executives are ultimately responsible for engaging shareholders on specific issues.

The Shareholder Engagement Policy should include:

- The board's philosophy regarding shareholder engagement and the allocation of responsibility for shareholder engagement between the board and management.

- The rules of engagement and this may include such items as:
    - defining the criteria for shareholder engagement, if the board chooses to engage with different categories of shareholders in different ways; the policy may describe the different forms of engagement that are generally available to each category;
    - clarifying the agenda in advance – advising shareholders what topics may or may not be discussed within the framework of allowable issues in order to avoid discussion on areas that might give rise to fair disclosure concerns and to allow for advance preparation;
    - stating when legal counsel or the IRO will be present; and
    - specifying how specific shareholder concerns will be addressed e.g. the directors on the Remuneration Committee will respond to concerns and issues regarding executive compensation issues.

There is no one-size-fits-all frequency for shareholder engagement. However more frequent and proactive engagement of shareholders is effective in this new era of corporate governance. Boards therefore need to carefully define appropriate parameters for interactive communication with shareholders.

9. GLOBAL EXAMPLES

- EMC Corp. is one of many companies that facilitate shareholder engagement on environmental and social issues through a voluntary sustainability report. Since 2007, the board has included a sustainability report with its Form 10-K filing (i.e. a comprehensive summary report of a company's performance that must be submitted annually to the U.S. Securities and Exchange Commission) to provide additional disclosure to shareholders. The Chief Sustainability Officer updates the company's Corporate Governance and Nominating Committee at least twice a year on sustainability issues.

- Ahead of the first shareholder votes on executive pay in Germany, Gerhard Cromme, Chairman of both Siemens and ThyssenKrupp, scheduled meetings with investors to discuss executive compensation practices at both companies. The move, reportedly "considered extraordinary by investors," followed the passage of a law that brought executive compensation policy in Germany closer to that of the United Kingdom and the Netherlands. The action was felt to signal a global shift in the perception of shareholder engagement.

- Occidental Petroleum Corp. has engaged shareholders on corporate governance matters several times, with perhaps surprising implications. In 2010, the board agreed to a shareholder request to allow a nonbinding vote on director compensation. In 2012, the board held a 90-minute conference call, during which two directors, the Head of Investor Relations, an assistant general counsel, and a few other internal staff answered shareholders' questions. The general response to the experience was positive. In 2013, the company spent the proxy season trying to oust its CEO but changed its plans after receiving a heated response from its shareholders. After this engagement, the board decided to retain the Chief Executive, modify its executive compensation plans, and oust its Chairman.

- Prudential Financial, Inc. has demonstrated board-led shareholder engagement around executive compensation issues every year since 2010. The company's board has sent letters to shareholders and held occasional meetings to enhance the company's relationship with its investors. The board credits engagement on executive compensation for yielding 96 percent support for its say-on-pay vote in 2012 and 87 percent support in 2011.

- Rather than engaging shareholders individually via one-on-one meetings, some companies are experimenting with online communication tools such as webcasts, podcasts, video, virtual meetings, and board blogs. Such engagement methods have the ability to communicate with a large group of institutional and retail investors and enable companies to record engagement activities for subsequent replay via companies' websites. One well-executed example is Potash Corporation of Saskatchewan Inc.'s use of videos posted on the home page of its website. Potash Corporation's board chair and the chair of its Compensation Committee are presented in short one to three-minute video clips answering key compensation-related questions about the board's role in the design of the executive compensation policy and how it relates to the achievement of long-term valuation objectives. The video presentations also address the board's responsibility to manage the relationships between risk and pay and between executive compensation and corporate performance. Potash Corporation has also posted video responses to queries regarding such high-profile issues as say-on-pay, shareholder activism and succession planning.

- On the Dell Inc. website, recent video presentations for shareholders have been improved, at the shareholders' request, by giving users the option to read and download a transcript of the video content. It seems some shareholders would rather review such comments from corporate executives in print as well as, or instead of, on video.

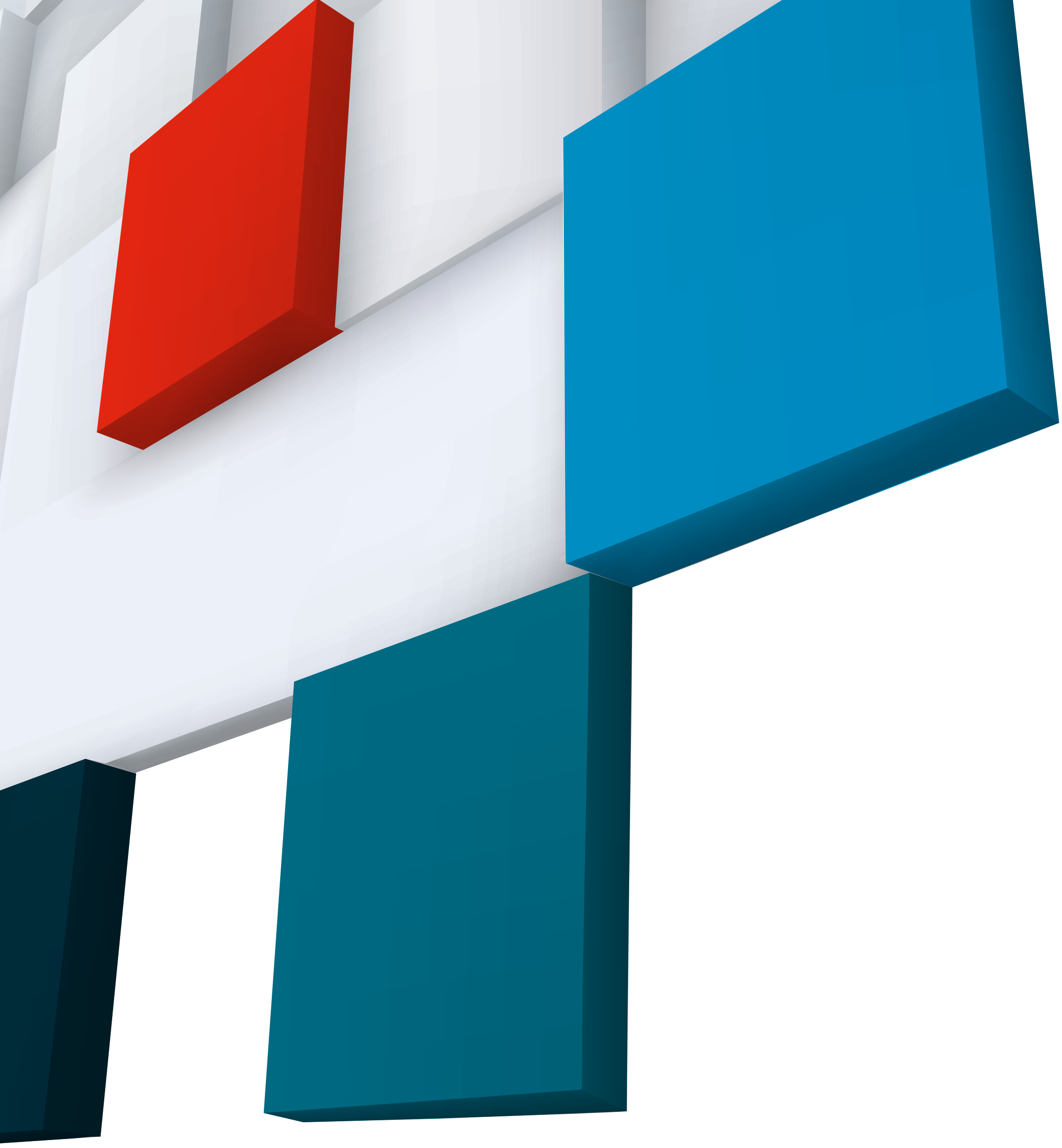
Directors' Forum
The Directors' Forum has been set up to act as an Advisory Council and Technical Committee to the MIoD. Its objectives are to:

- identify issues which are of most concern to directors
- produce position documents and, through consultation with Government and regulators, contribute to policy development
- be the voice for governance and directors' issues in Mauritius
- develop guidance on governance issues for directors.

Collectively, the Forum is made up of members with high level academic qualifications and professional backgrounds in law, economics, accounting, corporate and securities regulation, the public sector, business, and directorships.

Members of the Forum
Pierre Dinan – Chairman (up to 27 August 2014)
Girish B. Dabeesing – Chairman (as from 27 August 2014)
Clairette Ah Hen
Richard Arlove
Deva Armoogum
Sunil Benimadhu
James Benoit
Prabha Chinien
Aruna Collendavelloo
Jean-Paul de Chazal
George Dumbell
Gerard Garrioch
Michael Ho Wan Kau
Georges Leung Shing
Cyril Mayer
Catherine McIlraith
Giandev Moteea
Megh Pillay
Anita Ramgutty-Wong
Aisha Timol
Jane Valls

A special resource pack designed to assist with the practical implementation of this Guide can be downloaded from the MIoD website (www.miod.mu).



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