

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**INTRODUCTION**

HV HOLDINGS LTD (the 'Company'), a public interest entity as defined by the Financial Reporting Act 2004, incorporated in 2006 has applied the principles of the National Code of Corporate Governance (2016). The corporate governance report sets out how the Code's principles have been applied.

The Board of the Company considers that the current application of the principles of the code is likely to work in the particular context of the Company's business and culture. HV HOLDINGS LTD is a family-owned business whose control is exercised by the Hematlal family. The family values are thus upheld and infused in every action undertaken by the Company.

The Board of the Company is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly. This encompasses good corporate practices and framework, standards and implicit rules which enable the company to take sound decisions, maximise profitability while enhancing business value for all stakeholders and contributing to making everyday life better.

HV HOLDINGS LTD is the main holding Company of the HV Group of entities having its main operations in Mauritius and partly in Madagascar and is presently part of the Indian Ocean's top 100 groups. HV Group is present across the real estate, international trade, retail and distribution sectors.

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

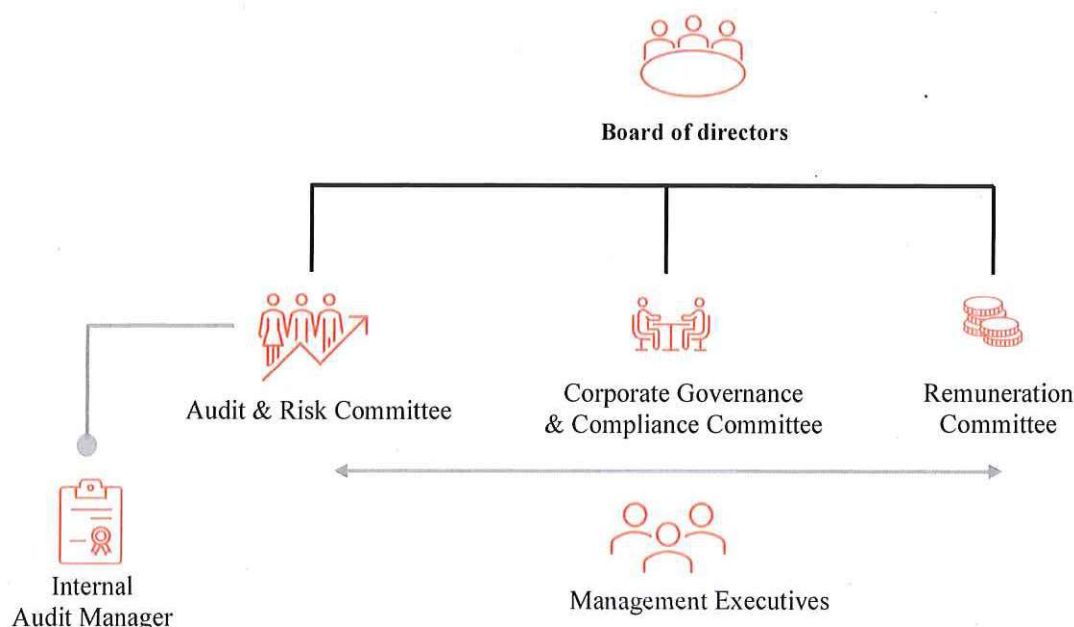
**PRINCIPLE 1 – GOVERNANCE STRUCTURE**

**Governance Framework**

HV Holdings Ltd is led by a unitary Board. The Board operates within a defined governance framework which enables clarity in the lines of responsibilities through a proper delegation of authority mechanism, while still allowing the Board to retain effective control. HV Holdings Ltd's Board is supported by three committees, each mandated to provide recommendations and expert guidance on matters affecting the Group's activities.

The Board provides effective leadership and strategic guidance towards the achievement of the Company's objectives. It is also responsible for ensuring that the activities of the Company are managed ethically and responsibly in line with the relevant laws and regulations in order to protect and enhance shareholder's value. The Board is also responsible for monitoring and assessing risks so that the viability of the Company is always sustained. In addition, the Board has the responsibility to oversee that internal control systems and reporting arrangements are in place for the effective, prudent and efficient administration of its assets and liabilities.

The directors have executive responsibilities. Management meetings, consisting of members of the Senior Management and the Executive Directors are held regularly to look after the day-to-day management of the operations of the Company, to review past performances, to take corrective measures where required and to define the long-term strategy of the Company.



**Board Charter**

For the year under review, the Board has not yet adopted a board charter. A board charter will be adopted during the forthcoming Board Meeting of the Company scheduled in May 2023.

**Code of Ethics**

The Company and its subsidiaries are committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Directors, is based on the fundamental belief that business should be conducted honestly, fairly, and legally. The Company will adopt a code of ethics within 2023.

Our core values which will also form part of our website (under construction) consist of the following which we live in our day-to-day dealings:

- (i) **Togetherness** : As one team, driven by common purpose.
- (ii) **Humility** : HV respects its stakeholders and is open to differing points of view.
- (iii) **Excellence** : HV adopts best practices to maximise its performance in everything it does.
- (iv) **Determination** : Rolling up its sleeves to make things happen, achieve its goal and fulfil its purpose.

The attitude we adopted at HV Holdings Ltd are simplicity first, positive and adaptable, which contributed to transform what was originally a simple shop into a well-established conglomerate.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Constitution**

The Company has adopted a constitution which complies with the provisions of the Mauritius Companies Act 2001. There are no clauses of the Constitution deemed material enough requiring specific disclosure.

**Key Roles and Responsibilities**

Messrs. Roupesh HEMATLAL and Sanjeev HEMATLAL were the Directors who held office of the Company up to 21 June 2022.

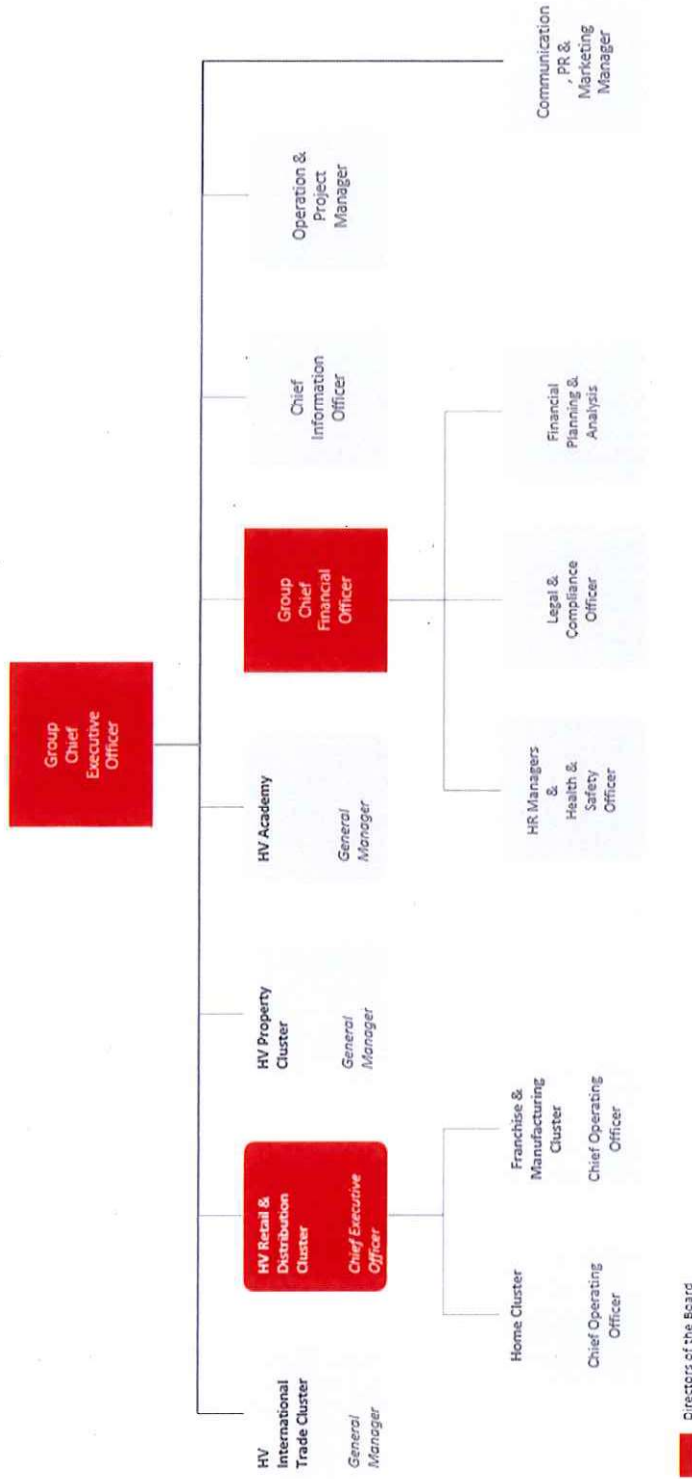
Mr. Sanjeev HEMATLAL resigned as director with effect from 21 June 2022 and new executive directors were appointed as from the same date: Messrs. Amit SHAH and Amit KOYELA.

Three additional directors were appointed on 30 September 2022 Mrs. Oumila SIBARTIE (Independent Director), Mr. Marc Antoine TSCHOPP (Independent Director) and Mr Yannick FOK (Non-Executive Director).

Chairperson	Chief Executive Officer	Directors (individual members)
<ul style="list-style-type: none"> <li>• Provides overall leadership to the Board</li> <li>• Ensures the effectiveness of the Board in its duties and oversee the implementation of HV Group's strategy and governance processes in line with the interests of the HV Group</li> <li>• Chairs and conducts meetings</li> <li>• Makes recommendations to the Company Secretary on the Board meetings agendas aiming at concentrating on strategic matters</li> <li>• Ensures that directors receive accurate, timely and clear information</li> <li>• Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management</li> <li>• Ensures that there is effective communication within the Board, between the Board and shareholders, and that each Director develops and maintains an understanding of all stakeholders' views</li> <li>• Oversees succession planning process at the Board and Senior Executive level</li> <li>• Ensure the performance of the Board, its Committees and directors (executive, non-executive and independent) on a yearly basis</li> <li>• Manage the Board so as to allow enough time for discussion of complex and/or critical issues by all Board members and other staff members in attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Manages the day to day operations</li> <li>• Develops and executes the plans and strategy of the business in line with the policies set by the Board</li> <li>• Makes recommendations on strategy and policy matters to the Board of Directors</li> <li>• Defines a long-term vision of the Group in terms of structure, business improvement and expansion (as appropriate)</li> <li>• Consults regularly with the Board on matters which may have a material impact on the HV Group</li> <li>• Provides leadership and direction to senior management and heads of business units to ensure that the HV Group's values are observed</li> <li>• Builds sustainability in respect of the way the business of the HV Group is conducted, tracking progress against Board priorities</li> <li>• Collaborates with the executive management team to develop and implement plans for driving efficiencies and resource optimization across the Group</li> <li>• Ensures the Group has implemented the necessary frameworks and structures to identify, assess and mitigate risks</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to the development of Group strategy</li> <li>• Act in line with the duties of Directors in accordance with the Companies Act 2001 and any applicable laws</li> <li>• Foster high ethical standards and strong ethical culture within the organization and the Group overall to ensure good governance</li> <li>• Know the organization's purpose and vision, policies and needs</li> <li>• Keep up to date with issues and trends that affect the organization</li> <li>• Prepare for, attend and actively and constructively participate in Board and committees meeting for decision making</li> <li>• Provide specialist knowledge and experience to the Board</li> <li>• Ensure internal disputes and conflicts of interests concerning individual members are addressed properly</li> <li>• Encourage the effective contribution of non-executive directors and encourage active engagement by all members of the Board</li> </ul>
<b>Company Secretary</b>		
<ul style="list-style-type: none"> <li>• Provide guidance and support to the Board as to their duties and responsibilities</li> <li>• Ensure compliance with all relevant statutory and regulatory requirements</li> <li>• Ensure that the organization complies with its constitution, internal policies and all other relevant statutory requirements</li> <li>• Circulate agendas and notices for Board meetings</li> <li>• Ensure effective communication with shareholders and guarantees the shareholders' interests are duly taken care of</li> <li>• Inform the Board of all legislation relevant to or affecting meeting of shareholders and directors</li> <li>• Keep record of all Board and Shareholders' Meetings in accordance with the Companies Act 2001</li> </ul>		

**Organisational Chart**

A governance structure and organisational chart of the Company reflecting the key senior positions and the reporting lines within the HV Group is set out below.

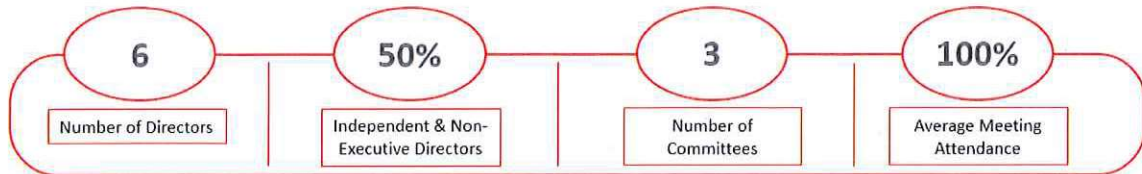


**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS COMMITTEES**

**Board size, structure and composition**

The Board's structure of the Company is a unitary Board which is collectively accountable and responsible for the long-term success of the Company.



**Roupesh Hematlal**

Chairperson  
(16 years on the Board)



**Amit Shah**

Chief Executive Officer – HV Retail & Distribution cluster  
Executive Director  
(6 months on the Board)



**Amit Kooyela**

Group Chief Finance Officer  
Executive Director  
(6 months on the Board)



**Ziyaad Moos**

Company Secretary



**Oumila Sibartie**

Independent Non-Executive Director  
(3 months on the Board)



**Marc-Antoine Tschopp**

Independent Non-Executive Director  
(3 months on the Board)



**Yannick Fok**

Non-Executive Director  
(3 months on the Board)

All directors are Mauritian citizens with a diverse ethnicity background, experience and skills in entrepreneurship, audit, internal control, finance, leadership, legal, secretarial, coaching, banking and investment, amongst others. The board gender ratio is 17% to 83% with majority of male directors.

The Board regularly reviews its size and composition. The Chairman of the Board is elected by his fellow directors after each annual meeting. Mr. Roupesh HEMATLAL has been elected Chairman of the Board for the upcoming year 2023.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)**

**Company Secretary**

The Company Secretary, Mr. Ziyaad MOOS is available to provide assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that Board procedures are followed, and that applicable laws and regulations are complied with. The Company Secretary also has the primary responsibility for guiding the Board as regards their duties and responsibilities and for ensuring that Board procedures are followed. The Company Secretary is also responsible for taking accurate and precise Board minutes which are then submitted for approval at the following meeting. The Company Secretary is also assisted by Ms. Bebisoa ZAFINDRAKA in preparing agenda and meeting minutes.

**Board meetings**

The Board determines the frequency of Board meetings in such a way that it can focus on important matters in an effective and efficient manner. In this respect, the Board Charter will recommend that meetings are conducted at least on a quarterly basis. The Board meeting is conducted in accordance with the provisions of the Companies Act 2001. Where necessary, the Chairperson encourages participation of all directors through video conferences if physical attendance is not possible.

Depending on the nature of the topics, members from the Management team and external advisers are sometimes invited to attend meetings. The company secretary prepares the minutes of the meeting, circulates the draft to the Board, makes adjustment based on feedback received, and circulate the final signed copy of the minutes.

The agenda is prepared by the Company Secretary with consultation by the Chief Finance Officer. This is then reviewed with the Chairman and Chief Executive Officer before circulating the draft agenda to the Board of Directors. Matters may be added to the agenda depending on the responses from the directors.

**Board Attendance**

The attendance at Board meeting held during the year ended December 2022 was as follows:

Director	Board Status	Meeting Attendance
Roupush Hematlal	Chairman	1/1
Amit Kooyela	Executive Director	1/1
Amit Shah	Executive Director	1/1
Yannick Fok	Non-Executive Director	1/1
Oumila Sibartie	Independent Non-Executive Director	1/1
Marc-Antoine Tschopp	Independent Non-Executive Director	1/1

**Board Committees**

The Board has delegated its authority to three Board Committees as listed below to provide expert guidance and make recommendations, through established reporting mechanisms, on specific issues and matters.

- (i) Corporate Governance Committee
- (ii) Remuneration Committee
- (iii) Audit and Risk Committee.

**Committees Charters**

A committee charter for each committee has been prepared which sets out the individual Committee's roles, responsibilities, composition, and meeting requirements. These committee charters will be proposed in the forthcoming board meetings for approval.

Committee	Composition	Main Responsibilities
Corporate Governance Committee	Non-Executive Chairperson Yannick Fok	Advises the board on matters pertaining to Corporate Governance and ensures principles of National Code of Corp. Governance are applied.
	Independent Non-Executive Director Oumila Sibartie	Mandate to address and review matters relating to nomination of directors, including subsidiaries.
	Executive Director Amit Kooyela	

**HV HOLDINGS LTD**  
**CORPORATE GOVERNANCE REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Committee	Composition	Main Responsibilities
Remuneration Committee	Independent Non-Executive Chairperson Marc-Antoine Tschopp  Executive Director Roupesh Hematlal  Executive Director Amit Shah  In attendance: Human Resource Manager	Review the remuneration structure of the Group for Senior Management and staff members.
Audit and Risk Committee	Independent Non-Executive Chairperson Oumila Sibartie  Non-Executive Director Yannick Fok  Executive Director Amit Kooyela  In attendance: Internal Audit Manager External Auditors Other Managers	Assist the board in fulfilling its oversight responsibilities.  Main responsibility is to review integrity of financial statements and effectiveness of internal and external audits.  Consider the independence of the external auditors and making recommendations to the Board on their appointment or dismissal  Review the effectiveness of the Group risk management process and approve strategies to address potential risks throughout the whole organisation.

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**PRINCIPLE 3 – DIRECTORS APPOINTMENT PROCEDURES**

**Appointment Process**

New directors are appointed following formal approval by the Board and confirmation by the shareholders either through the Annual General Meeting or shareholders resolution. The selection criteria are based on the individual's skills, business experience, knowledge, expertise, integrity, objectivity, commitment to the Board, and ability to add value to HV Group. These factors are taken into consideration and balanced with the strategy and key priorities of the company to have the best fit.

The Company always promotes diversity of knowledge, skills and gender equality in the identification process of potential candidates to the Board.

**Election and Re-election of Directors**

Prior to June 2022, the Directors were not re-elected at each Annual General Meeting of Shareholders since it is a family-owned business, and the directors were also the shareholders.

As from mid-2022 onwards, a proper appointment process was put in place to constitute a unitary board. Election and re-election procedures of Directors may be amended subject to the Board Charter to be adopted by the Company.

**Director's Induction and Orientation**

After the unitary board was formed, HV Holdings Ltd hosted a detailed induction and onboarding plan for the Directors. All Directors were present in this induction and onboarding plan. The Directors attended several meetings with each cluster within the Group to familiarize themselves with the company structure, offices, management team, business activities, financials, internal controls, risks, strategy and historic performance.

Each business units prepared materials which were shared with the board members. Visits to offices, warehouses and key projects were arranged for the directors to understand the key priorities. The Board of Directors had a chance to meet the key management team and the staff. During the onboarding plan, a lunch was arranged strictly with the board members and company secretary to allow the Board to get to know each other better and to discuss how they will work together to support HV Holdings Ltd.

**Training and Professional Development**

The Board recognizes that its directors have a diverse range of experience, and so it encourages them to attend external seminars and briefings that will assist them individually. Directors are encouraged to keep themselves abreast of changes and trends in the Company's business environment and markets.

In August 2022, all the Directors of HV HOLDINGS LTD and its subsidiaries along with some of its key managers were invited to participate in a proper training conducted in collaboration with the Mauritius Institute of Directors (MIOD). The training was focused on building knowledge and skills of the Director, potential Directors as well as key management team on Corporate Governance and its principles, Board and committees, role of board members, dynamic and culture of the Board, duties and responsibilities of Directors, amongst others.



*"The induction and training program was a valuable and informative experience that helped me to hit the ground running as a new member on the HV Holdings board of directors. The training was designed to provide me and my fellow directors with an in-depth understanding of the company's operations and culture, as well as a comprehensive overview of its legal and regulatory frameworks. It was a pleasure for me to participate in this program and to have met with so many talented and dedicated individuals who contribute to the success of the company."*

**Yannick FOK**, Non-Executive Director (3-months on board)

*"It is a pleasure to have recently joined the Board of Directors of HV Holdings Ltd. I was warmly welcomed since Day 1. The Directors' induction and training program was well organised and covered key aspects of Corporate Governance. I am impressed by the high degree of professionalism and business conduct at all levels of the organisation. There is a real sense of ownership, a hard-working culture, and a willingness to help the Company grow further!"*

**Oumila SIBARTIE**, Independent Non-Executive Director (3-months on board)





**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Director's profile**

All directors are in their 40s and have over 20 years of business experience and have developed strong skills in the field of international business.

They are residents of Mauritius and hold directorship in other companies having diverse activities such as trading, manufacturing, shipping and logistics, investment and banking and property development and management.

Below is a table summarising the core competencies and profile of the current and newly appointed Directors of HV HOLDINGS LTD.

<p><b>Roupesh HEMATLAL</b></p> <p>Entrepreneur and Chief Executive Officer of HV HOLDINGS with more than 25 years' experience in import, export, fast moving consumer goods (FMCG), and real estate in the Indian Ocean region.</p>	<p><b>Amit SHAH</b></p> <p>Amit Shah is the Managing Director of Le Warehouse Ltd, a subsidiary of HV HOLDINGS LTD since 2004. He has more than 25 years' experience in General Management and Business Development.</p>
<p><b>Amit KOOYELA</b></p> <p>Group CFO of HV HOLDINGS LTD with 20+ years' experience in finance, accounting, internal control and audits in Asia, Europe and Africa. Previously Cluster CFO and board member of a leading shipping and logistics company.</p>	<p><b>Yannick FOK</b></p> <p>Admitted to practice as a Barrister since 2002 with a strong focus on predominantly commercial, litigation and corporate advisory practice.</p>
<p><b>Oumila SIBARTIE</b></p> <p>Independent consultant with over 23 years international experience in financial markets in USA, UK and across Africa. Oumila sits on the board of various prominent banking and financial institutions in Mauritius.</p>	<p><b>Marc Antoine TSCHOPP</b></p> <p>Psychologist with expertise in various areas such as soft skills development, mindful leadership, change and conflict management, Marc Antoine has more than 20 years' experience as a management consultant in America, Asia and Europe</p>

**Succession Planning**

The Board assumes the responsibility for succession planning of the Board and the senior management team to ensure that the company continues to operate successfully in all circumstances. The Board believes that good succession planning is a key contributor to the effectiveness of the Group's strategy in the long term. The Company has a competent Management team, where each business unit has a proper organisation structure, and the operations are not reliant on a single person.

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPLE 4 – DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE**

All directors are aware of their legal duties and objectively discharge their duties and responsibilities in the best interests of the Company. Directors are aware that they should, in their position, act with care, skill and diligence and avoid conflicts of interest (unless disclosed) or perception of bias. The Board is transparent, fair and consistent in determining the remuneration policy for directors and senior executives.

The company is mindful of the interest of the other stakeholders other than its shareholders such as suppliers, clients and the public at large, when running its operations. The Company is committed to highest standards of compliance with laws and regulations, integrity in dealing with all its stakeholders.

**Conflicts of Interest**

The Board is conscious that transactions between the Company and its Management, Directors or Shareholders may be a source of conflicts of interest. At the time of directors' appointment, the directors are required to declare their conflict of interest, and this is kept in a register. As and when changes occur during the year, Directors are also required to declare their interest in any transaction and ensure that transaction are disclosed in the interest register, which is in place starting 01 October 2022. As a matter of good practice, the disclosure of any conflict of interests is a standing item on the agenda of the Board meeting of the Company, whereby each Director is invited to disclose their interests (including any potential interests) to the Board at the beginning of each meeting.

Aside from Mr. Yannick Fok, a non-executive Director of the Company who declared his interests as partner of Eversheds Sutherland Mauritius being the Company's legal counsel for specific matters during the meeting dated 12 December 2022 and Mrs. Oumila Sibartie who provided a list of her existing directorship interests in other companies, no entries have been made in the interest register of the Company during the reporting financial year.

All Directors declare their direct interests in the shares of the Company. Mr. Roupesh Hematlal and Mr. Amit Shah are the shareholders of the Company as at the date of this Corporate Governance Report, holding each 98% and 2% shareholdings respectively representing the entire shareholding of the Company. All new directors are required to notify in writing to the Company Secretary their direct and indirect interests in the Company.

**Board Evaluation**

A board evaluation was carried out in 2022 to restructure the board of directors in line with the recommendation of the corporate code of governance. This has been implemented with effect as from 01 October 2022.

The evaluation of the current Board will be planned somewhere during Q3 2023.

**Information, Information Technology ('IT') and Information Security Governance:**

Information management and technology is an essential part of good IT governance. The Company lays emphasis on information security and in particular the confidentiality of personal information.

The Board is responsible for overseeing information governance within the Company and ensures that performance of information and IT systems are adequate.

The Company has adopted an Information Technology (IT) Policy and this policy is reviewed annually. There are currently restricted access and coding system for employees using the system Users. These accesses are reviewed occasionally. Employees may use the information system only for purposes for which they have been authorized and have been granted access rights. Effective IT Security is of essence to the Company and part of its culture.

The Group and the Board is also aware of the increasing threat of cyber risk. The company performs penetration test periodically to ensure the robustness of its information technology platform.

**General Data Protection Regulation**

The company is aware of the Data Protection Act of Mauritius (as amended from time to time) and of the risks related to security of data collection and keeping. The Company will adopt a Data Protection Policy for the financial year 2023.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPLE 4 – DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)**

**Board access to information**

The Board has access to all relevant information to be able to perform their duty. The company encourages the board members to visit its offices and engage with senior members of management to seek clarification and additional information before making any decisions.

**Remuneration Philosophy**

The remuneration philosophy of the Company is based on achievements and meritocracy which automatically recognizes and rewards high performing employees. Remuneration and benefits are reviewed on an annual basis taking into account additional responsibilities, prevailing market conditions and current market rates.

**Directors Remuneration**

The Executive Directors are not remunerated for serving on the Board. The independent and non-executive directors are remunerated with a fair principle, and the company believes in confidentiality of information, and for this reason remuneration is not disclosed publicly.

**Share Option**

The Company does not have any share option scheme as at the date of this Corporate Governance Report.

**Share Price Information**

As the Company is not listed, share price information is not available.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPLE 5 – RISK GOVERNANCE AND INTERNAL CONTROL**

The Board has the overall responsibility for the Company's risk management and internal control as well as determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board is also committed to continuously maintain adequate control procedures to safeguard the assets and reputation of HV HOLDINGS LTD and its subsidiaries. The management of the Company assists the Board in implementing, operating, and monitoring the internal control system.

**Internal Control and Risk Management**

The Board is ultimately responsible for the Company's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication.

We have an established Group Internal Audit Team performing ongoing internal audits in all our business activities covering operations, marketing, financial, frauds, and other areas. We also have an Internal Control Team dedicated to each business activities focussing on enhancing the process and output controls to mitigate potential frauds, internal control deficiencies as well as continuously upgrade our processes and control environment for efficiency and effectiveness. The company has performed a macro-level risk assessment as well as an internal risk assessment to identify potential control deficiencies where internal audit work is then programmed to address these risky areas. This risk level is reviewed at least annually to calibrate the focus areas of the internal control and internal audit program.

The Group Internal Audit Manager and team currently report to the Audit & Risk Committee and ultimately to the Board.

Management is accountable to the Board to establish processes and procedures for identifying, evaluating, and managing the significant risks faced by the Company. Management is accountable to the Board for the design, implementation, and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the lines of defence: the management of performance of each subsidiary and the processes and framework for risk management.

With the recent Board implemented, the Audit & Risk Committee has been formed to assist the Board in providing oversight of the financial reporting process, audit process and the Company's internal control framework.

*Whistle-blower Policy*

A whistleblowing policy has also been adopted at group level as from April 2021 which confirms confidentiality, protection, and immunity to whistle blowers.

*Conflict of Interest Policy*

The company also have a conflict-of-interest declaration from employees at the time of recruitment. The policy requires the employees to declare their conflict as and when it arises during their employment contract. An annual reminder is also sent to the employees for them to reconsider if any conflict of interest has developed.

*Gift Policy*

A gift policy has also been adopted by the company.

*Fair Dealing Policy*

A policy will be formalised on fair dealing although our values and attitudes rolled out recently clearly define how we deal with stakeholders, and these values start from the top management who displays them in their day-to-day dealings and stakeholder discussions.

The risk management framework is designed to align the purpose, strategy and culture with the appropriate processes in place whilst encouraging the sense of entrepreneurship - helping management to take reasonable risks to fuel growth and improve business performance.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**PRINCIPLE 6 – REPORTING WITH INTEGRITY**

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the Company. The Annual Report includes financial statements that are prepared in accordance with International Financial Reporting Standards, International Accounting Standards and the Companies Act.

**Environment Policy**

The Company recognizes its responsibility as a corporate citizen in the protection and improvement of the environment. The company's purpose is to make everyday life better. The Company firmly intends to reduce any environmental damage over time, and this includes the reduction of its carbon footprint over time across its business. To achieve this, the Company endeavours to reduce the use of paper, reduce carbon footprints by promoting online sales, promote sales of increasingly more eco-friendly products, use of selected shipping and logistics companies with commitment to improving the environment and to continually strive to identify areas for further improvement. For instance, the company is working continuously towards reducing the use of plastic bottles in office.

To demonstrate the company's commitment towards the protection and improvement of the environment, our retail and distribution segment launched a recycling campaign in 2022 with BEM Recycling encouraging the Mauritian community to bring their "old used Tefal and Casseroles" and exchange this with a 25% discount on purchase of an eco-friendly product to prevent dumping of these old products in the nature. These used items were sent to BEM Recycling for processing and re-use.

**Health and safety Policy**

The Company endeavours to provide and maintain a safe and healthy work environment for all its employees. The Company through its full time Health and Safety Officer, namely has established policies for the enhancement of safety and health standards in the workplace. Ongoing audits and site visits are performed to ensure safety standards are properly implemented. There is also an agenda set to promote awareness on good health and safety and amongst others, we have activities such as health and safety week and global health day.

In October 2022, as the world come together to fight breast cancer, HV Group launched the "October Rose Campaign" through its DIM brand in collaboration with Breast Cancer Care Mauritius association. HV donated 1% of its total sales from DIM brand to the association for the latter to carry out projects and provide support to those in need.

**Social Issues**

The Company practices fair policies, based on merit, in recruitment and promotion of its staffs. The company does not promote nepotism and encourages an inclusion and diversity approach on various areas including gender, ethnicity, nationalities, and other factors. By expanding its business activities, the company is committed in making everyday life better through creation of employment and promoting eco-friendly products.

We continue to contribute towards the improvement of unemployment rates by furthering our investments in various business activities. HV Group employees more than 3,500 full-time employees across Mauritius and Madagascar.

In August 2022, HV Group donated A3 and A4 papers to the Pointe aux Piments "Zone Education Prioritaire" school to enable the establishment to carry out various activities to support educational needs for these underprivileged children.

**Code of Ethics**

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

**Political Contributions**

The Company did not make any political donations during the year under review.

**Corporate social responsibility**

The Company is dedicated to help the society as part of its CSR contribution. HV Group places great importance to social responsibility and is conscious that business success goes beyond profitability, growth rate and brand recognition.

HV HOLDINGS LTD also supports various associations helping children and women in Mauritius and more particularly in Madagascar which remains one of the poorest countries in the world. The HV Group contributes to children's basic education through the Hematlal Veljee foundation. In 2022, this foundation supported La Fondation VISEO in the construction works of a building block consisting of three (3) classrooms on the EPP Ambohitsiroa premises in Madagascar.

On world food day celebrated on 16 October 2022, HV Group organised collection of non-perishable foods collection campaign throughout its offices in Mauritius. These foods were distributed to two NGOs namely Caritas (Pont Praslin) and SOS Poverty (Port Louis) in collaboration with Foodwise Mauritius.



**314**  
KGs of food



**1,257**  
Meals re-distributed

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL 7 – AUDIT**

**Internal Audit**

The Internal Audit function is an inhouse team of professionals. Majority of our team members have worked for Big 4 firms.

The purpose of the internal audit function within the Company is to assist the board accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, fraud prevention, and governance processes.

The internal audit team are granted unrestricted access to all information that may be required in the execution of their duties.

During the year 2022, our audit function had a busy calendar which included fraud risk assessment, fraud prevention and awareness, fraud detection and investigation, financial audits, operational and process audits. A major focus was on stock management for our retail sectors. For each audit, a proper report is issued. Our audit function also performs follow up of open findings from previous audits to ensure the implementation of agreed actions plan received from managements through an audit findings tracker.

The internal audit team reports directly to the newly formed audit and risk committee.

**External Audit**

RSM (Mauritius) LLP currently serves as the external auditor for the Company and the Group. They are granted unrestricted access to all information that may be required in the execution of their duties and have direct access to the Audit Committee should they wish to discuss any matters privately.

The Board is responsible for the appointment and if necessary, the removal of the external auditors. The Board assesses and reviews on a regular basis the independence of the external auditor. Audit fees are set in a manner that enables an effective external audit without compromising the independence of our auditors.

**Audit Committee**

HV Holdings Ltd is committed to enhance its corporate governance and has appointed independent and non-executive directors to its board. Accordingly, the board has designed its Audit and Risk committee which is chaired by an independent director effective 1<sup>st</sup> October 2022. The internal audit function henceforth reports to the audit committee to maintain objectivity and independence.

The audit and risk committee is expected to meet every quarter.



**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRICIPLE 8 – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS**

**Shareholders' Agreement**

There is no shareholders' agreement.

**Annual General Meeting (AGM)**

An AGM takes place yearly and will continue to happen likewise.

**Matters of Material Interest**

There are no matters of material interest that the Board of the Company needs to communicate to the shareholder and stakeholders.

**Shareholding**

The Share Capital of the Company as of 31December 2022 consisted of 242,500 ordinary shares of no-par value held by Mr. Roupesh HEMATLAL (98%) and Mr. Amit SHAH (2%).

By virtue of an amalgamation of HV HOME EQUIPMENT LTD (previously owned by the Company at 75% and by Amit SHAH at 25%) ("HVHE") with the Company, HVHE was amalgamated with and into the Company, the latter being the surviving entity. In line with Section 245 of the Companies Act 2001, the shares of Mr. Amit SHAH in HVHE were being converted into shares of the Company whereby Mr. Amit SHAH was issued shares in the Company representing 2% of the Company's entire shareholding.

**Shareholder Information**

The Board of Directors places great importance on an open and transparent communication with all the shareholders of the Company. The shareholder is fully aware of the daily operations and receive timely information of the activities of the Company.

**Relationship with Shareholders and key Stakeholders**

The Company's Key Stakeholders are its Employees, Customers, Banks, Regulators/Government, Suppliers, Local Community and Shareholders.

The executive directors of the Company are fully aware of all aspects of the Company's business while the newly onboarded independent and non-executive directors are fast learning the ins and out of the business activities. The Secretary is also available to provide any information or advice upon request.

The Board acknowledges its responsibility of ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders.

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**OTHER STATUTORY DISCLOSURES**

**Contract of significance**

There was no contract of significance to which the Company was party to and in which a Director of the Company was materially interested either directly or indirectly.

**Director's services contract**

There are no service contracts between the Company and its Directors. None of the Directors has a service contract that need to be disclosed under Section 221 of the Companies Act 2001.

**Directors share interest**

The interest of the Directors is disclosed on pages 13 and 18 of this report.

**Auditors' Remuneration**

The fees payable to the auditors are as follows:

	<b>31 December 2022</b>	31 December 2021
<b>Company:</b>	<b>MUR</b>	<b>MUR</b>
Audit fees	<b>415,000</b>	555,000
Other services	-	-
	<u><b>415,000</b></u>	<u>555,000</u>

The reduction in audit fees is mainly due to the discontinued activities of HV Industries Ltd and its subsidiaries under HV Holdings Ltd as of 31-Dec-2022.

**HV HOLDINGS LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF COMPLIANCE  
(Section 75 (3) of the Financial Reporting Act)**

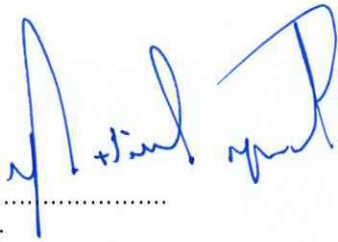
Name of PIE: HV HOLDINGS LTD

Reporting Period: January 1, 2022, to December 31, 2022

We, the Directors of HV HOLDINGS LTD, confirm that the Company and its Board are well aware of their obligations and requirements under the Code of Corporate Governance (2016) and we commit to enhancing the corporate governance. To the best of our knowledge, we have implemented the applicable code of corporate governance and prepared a roadmap to fully comply with the key aspects of the code.

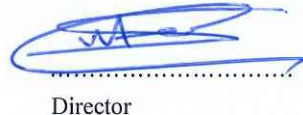
#	Key Actions	Status
1	Board Charter approval	2023
2	To adopt a formal code of ethics	2023
3	Committee charters approval	2023

*ON BEHALF OF THE BOARD*



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Director



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Director

Date: 03 May 2023