



NEW MAURITIUS HOTELS LIMITED

AUDIT COMMITTEE CHARTER

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Audit Committee ('the Committee') Charter

1. Membership

- 1.1 The Committee shall comprise of not less than 3 non-executive directors appointed by the board, at least two of whom shall be independent non-executive directors.
- 1.2 Members of the Committee shall be appointed by the board, on the recommendation of the nomination Committee in consultation with the chairperson of the audit Committee.
- 1.3 The board shall appoint a chairperson from the independent non-executive members of the Committee and determine the period for which he or she shall hold office.
- 1.4 The chairperson of the board, the Chief Executive Officer, the Chief Financial Officer and any executive director shall not be eligible to be appointed as chairperson or member of the Committee.
- 1.5 The board shall satisfy itself that the chairperson of the Committee and at least one member of the audit Committee has recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.
- 1.6 The board shall have the power at any time to remove any member from the Committee and to fill any vacancy created by such removal.
- 1.7 Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be independent.
- 1.8 Appointments to the Committee shall be person specific i.e where a Director is a member of the Committee but is unable to attend a particular meeting he or she shall not be entitled to appoint a proxy or to request that his or her duly appointed alternate Director (if any) attend in his or her stead.

2. Secretary

- 2.1 The company secretary, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members at least one must be an independent director.

4. Frequency of meetings

- 4.1 The Committee shall hold sufficient scheduled meetings per annum to discharge fully all aspects of its terms of reference. It shall meet as often as would be necessary to achieve its objectives, but at least four times a year at appropriate intervals in the financial reporting and audit cycle. All Committee members are expected to attend each meeting in person or by means of audio, or audio and visual communication.
- 4.2 Outside of the formal meetings, the Committee chairperson will maintain a dialogue with key individuals involved in the company's governance, including the board chairperson, the chief executive officer, the finance director, the external audit lead partner and the head of internal audit. The Committee chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

5. Attendance to meetings

- 5.1. The chief financial officer, internal auditor and external auditor will be invited to attend meetings of the Committee on a regular basis.
- 5.2. The Chairperson of the Committee may invite the chairman of the board, other board members or any other assurance providers to attend all or part of a Committee meeting for specific agenda items as and when appropriate and necessary.
- 5.3. The Committee may instruct any officer or employee of the Company or the group to attend any meeting and provide pertinent information as and when necessary.
- 5.4. Notwithstanding 4.2 above, the Committee meets, at least once a year, with the internal auditor and the external auditors without the presence of executive management to discuss any matters that either the Committee or these two believe should be discussed privately.
- 5.5. Outside of the formal meetings, the Committee chairperson will maintain a dialogue with key individuals involved in the company's governance, including the chairman of the board, the chief executive officer, the chief financial officer, the external audit lead partner and the head of internal audit. The Committee chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members or at the request of the external audit lead partner or head of internal auditor if they consider it necessary.
- 6.2 Reasonable notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, and any other person required to attend.

7. Minutes of meetings

- 7.1 The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated no later than ten working days before the next meeting to all members of the Committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so in the opinion of the Committee chairperson.

8. Disclosure of conflict of interest

- 8.1. The Committee members shall declare their interest as soon as a conflict or potential conflict of interest arises.

9. Annual general meeting

- 9.1. The Committee chairperson shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

10. Responsibilities of the Committee

The Committee shall carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. The term 'company' will be deemed to refer to any such subsidiary.

10.1. Financial Statements

- 10.1.1 The Committee will examine and review the quality and integrity of the financial statements of the Group and company, including its annual and half-yearly reports, interim reports and any other formal announcement relating to the company's financial performance.
- 10.1.2. The Committee will review and report to the board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the committee by the auditor.
- 10.1.3. In particular, the Committee shall review and challenge where necessary:
 - 10.1.3.1 The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the company/group;
 - 10.1.3.2 Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;

- 10.1.2.3 The methods used to account for significant or unusual transactions where different approaches are possible;
- 10.1.3.4 Significant adjustments resulting from the audit;
- 10.1.3.5 Whether the company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
- 10.1.3.6 The clarity and completeness of disclosure in the company's financial reports and the context in which statements are made; and
- 10.1.3.7 All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit.
- 10.1.3.8 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the board.
- 10.1.3.9 The basis on which the company has been determined a going concern;
- 10.1.3.10 Capital adequacy and internal controls;
- 10.1.3.11 Compliance with the financial conditions of any loan covenants; and
- 10.1.3.12 Reviewing special documents (such as prospectuses)

10.2. Narrative reporting

- 10.2.1 Where requested by the board, the Committee shall review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the company's performance, business model and strategy.

10.3. Internal controls and risk management systems

The committee shall:

- 10.3.1. Keep under review the adequacy and effectiveness of the Groups's systems of internal control, including financial controls;
- 10.3.2. Review and approve the statements to be included in the annual report concerning internal controls

10.4. Internal audit

The Committee shall:

- 10.4.1. Approve the appointment or termination of appointment of the head of internal audit;
- 10.4.2. Review and approve the charter of the internal audit function and ensure the function has the necessary resources and access to information to

- enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 10.4.3. Ensure the internal auditor has direct access to the board chairperson and to the Committee chairperson, and is accountable to the Committee;
 - 10.4.4. Review and assess the annual internal audit work plan;
 - 10.4.5. Ensure that the internal audit function has adequate standing and is free from management or other restriction;
 - 10.4.6. Receive a report on the results of the internal auditor's work on a periodic basis;
 - 10.4.7. Review and assess the annual internal audit work plan;
 - 10.4.8. Review and monitor management's responsiveness to the internal auditor's findings and recommendations;
 - 10.4.9. Meet with the head of internal audit at least once a year without the presence of management;
 - 10.4.10. Monitor and review the effectiveness of the company's internal audit function;
 - 10.4.11. Ensure the safeguarding of the company's assets against unauthorised use or disposal; and
 - 10.4.12. Institute, Direct and supervise investigations into matters within its scope, for example, evaluations of the effectiveness of the company's internal control, cases of employee fraud, misconduct or conflict of interest and, if appropriate, hire special counsel or experts to assist.

10.5. External audit

The Committee shall:

- 10.5.1. Consider and make recommendations to the board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor;
- 10.5.2. Ensure that the audit services contract is renewed in compliance with prevailing legislation. In respect of any tender exercise the Audit Committee shall ensure such access as is necessary to information and individuals during the duration of the tendering process. Several firms should be screened and the Committee should obtain written or verbal proposals to enable it to arrive at its recommendation.;
- 10.5.3. If an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 10.5.4. Oversee the relationship with the external auditor including (but not limited to):
 - 10.5.4.1. Recommendations on their remuneration, including both fees for audit and non audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - 10.5.4.2. Approval of their terms of engagement, including any

- engagement letter issued at the start of each audit and the scope of the audit;
- 10.5.4.3. Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - 10.5.4.4. Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - 10.5.4.5. Agreeing with the board a policy on the employment of former employees of the company's auditor, and monitoring the implementation of this policy;
 - 10.5.4.6. Monitoring the auditor's compliance with relevant ethical and professional guidelines, the level of fees paid by the company compared to the overall fee income of the firm and other related requirements;
 - 10.5.4.7. Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - 10.5.4.8. Seeking to ensure co-ordination with the activities of the internal audit function; and
 - 10.5.4.9. Evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation.
- 10.5.5. Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
 - 10.5.6. Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team ;
 - 10.5.7. Consider whether any significant ventures, investments or operations are not subject to external audit;
 - 10.5.8. Obtain assurance from the external auditor(s) that adequate accounting records are being maintained;
 - 10.5.9. Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 10.5.9.1. A discussion of any major issues which arose during the audit;
 - 10.5.9.2. Key accounting and audit judgements;
 - 10.5.9.3. Levels of errors identified during the audit; and

- 10.5.9.4. The effectiveness of the audit process.
- 10.6.9.10. Review any representation letter(s) requested by the external auditor before they are signed by management;
- 10.6.9.11. Review the management letter and management's response to the auditor's findings and recommendations; and
- 10.6.9.12. Develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

11. Reporting responsibilities

- 11.1. The Committee chairperson shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the board on how it has discharged its responsibilities. This report shall include:
 - 11.1.1. the significant issues that it considered in relation to the financial statements and how these were addressed;
 - 11.1.2. its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
 - 11.1.3. any other issues on which the Board has requested the Committee's opinion.
- 11.2. The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3. The Committee shall compile a report on its activities to be included in the company's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor. In the compiling the report the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the board's assessment of whether the company is a going concern.

12. Remuneration

- 12.1. Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board. Such special remuneration shall be in addition to the annual fees payable to directors.
- 12.2. The chairperson of the Committee shall, in addition to his or her remuneration

as member, receive a further sum as determined by the board.

13. Other matters

The Committee shall:

- 13.1. Perform other oversight functions as requested by the Board.
- 13.2. Have regard to the principles of governance and code of best practice as contained in the Code of Corporate Governance.
- 13.3. Ensure that arrangements are in place for the appropriate and independent investigation of such matters and for appropriate follow-up action, and that any matters relevant to the Committee's responsibilities are brought to its attention;
- 13.4. Conduct an appropriate review, on an ongoing basis, of all related party transactions for potential conflict of interest situations and review and monitor all related party transactions in accordance with the company's policy;
- 13.5. Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- 13.6. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 13.7. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 13.8. Give due consideration to laws and regulations, the Code, SEM Listing Rules and any other applicable rules, as appropriate;
- 13.9. Be responsible for co-ordination of the internal and external auditors;
- 13.10. Oversee any investigation of activities which are within its terms of reference;
- 13.11. Work and liaise as necessary with all other board Committees
- 13.12. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

14. Authority

The Committee is authorised to:

- 14.1. investigate any activity within its terms of reference;
- 14.2. at its discretion, seek any information it requires from any employee of the company or require any employee of the company to attend meetings or parts of meetings;
- 14.3. may consult with and seek any information it requires from any employees, and all employees shall be required to cooperate with any request made by the Committee in the course of its duties; and
- 14.4. obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.

Approved by BOD on 10 May 2022