

**TERMS OF REFERENCE FOR THE
AUDIT AND RISK COMMITTEE
OF EMTEL LIMITED
(‘EMTEL’ or ‘THE COMPANY’)**

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1. Definitions

Reference to “the Committee” or “ARC” shall mean Audit and Risk Committee of “EMTEL”.

Reference to “the Company” shall mean “EMTEL”.

Reference to the “Board” shall mean the Board of Directors of “EMTEL”.

Reference to “Subsidiary Company” of EMTEL shall have the meaning as assigned by Section 3 of the Companies Act 2001.

Reference to “PIE companies” shall have the same meaning as assigned by the First Schedule of the Financial Reporting Act 2004 (as amended).

Reference to “Independent Director” shall have the same meaning as per Section 2 of the Companies Act 2001 (as amended).

2. Preamble

The Board recognizes that:

- 2.1. It is responsible for determining the nature and extent of the significant risks it is willing to take in achieving strategic objectives set by the Board as well as the importance for maintaining sound risk management and internal control practices.
- 2.2. It shall establish formal and transparent arrangements for considering how it shall apply the corporate financial reporting, risk Management and internal control principles and for maintaining an appropriate relationship with Management and the Auditors.
- 2.3. The establishment of an “Audit and Risk Committee” is an important part of reporting, risk Management and control process. The National Code of Corporate Governance of Mauritius has emphasized on the need for having such a committee, which is a fundamental pillar of the Governance structure for PIE Companies.

The ARC shall be a Committee of the Board and for it to operate efficiently, the Board shall delegate appropriate responsibilities relating thereto, and herewith determine formal written Terms of Reference outlining the objectives, composition, responsibilities and authority of the Committee as set out in this document.

3. Objectives

The Committee shall, within these terms of reference, look into all relevant matters concerning the Company and its Subsidiary Companies.

It is acknowledged that the Subsidiary Companies, as the case may be, may have their own Audit Committee and Risk Committee. In such instance, the Annual Report and Audited Financial Statements and the Internal and External Audit Reports together with the summary of the Minutes of each meeting of the aforesaid mentioned Committees shall be submitted to the

Chairman of the Audit and Risk Committee of the Company after validation from the Chairman of the respective Committees. The Audit and Risk Committee of the Company shall take note and its Chairman shall accordingly report key and relevant issues of each Report to the Board of EMTEL. For those Subsidiary Companies for which an Audit and Risk Committee has not been established, Management of those Companies would prepare a report highlighting relevant key issues with respect to Audit & Risk matters, which shall be circulated to the Committee to be considered at the Committee Meetings.

4. Membership and Chairmanship

- 4.1. The Committee shall consist of at least 3 members, the majority of whom shall be Independent Non-Executive Directors. The Members of the Committee shall be nominated from the Board of Directors of EMTEL.
- 4.2. The Board shall satisfy itself that the Chairman of the Committee and at least one member of the Committee has recent and relevant financial experience.
- 4.3. The Group Chief Executive Officer, the Group Chief Finance Officer and the Officer in Charge of Enterprise Risk Management shall be in attendance at all the Committee's meetings and they shall not be eligible to vote.
- 4.4. Other Officers of the Company, such as the Chairman of the Board, members of the Senior Management team, other Directors, may be invited to attend all or part of any meeting as and when deemed appropriate, and they shall not be eligible to vote.
- 4.5. The Internal and External Auditor shall be invited to attend meetings of the Committee to present *inter alia*, their audit plans, findings and recommendations to the Committee.
- 4.6. Appointments to the Committee shall be for a period of up to three years, which may be extended for a further three-year period, provided the Director still meets the criteria for Membership to the Committee.
- 4.7. The Board of EMTEL shall appoint a Chairman of the Committee from amongst the Independent Non-Executive Directors who has been appointed as Member for a period of up to three years, which may be extended for a further three-year period. The Chairman of the Board of EMTEL shall not be eligible to be appointed as Chairman of the Committee.
- 4.8. In the absence of the Chairman of the Committee at any Meeting, the remaining Members present shall elect one of themselves to preside the meeting.
- 4.9. The Board shall have the power at any time to remove any Member(s) from the Committee and fill any vacancies created by such removal.

5. Secretary

Currimjee Secretaries Limited shall act as the Secretary of the Committee. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

6. Quorum

The quorum necessary for the transaction of business shall be a majority of Members present throughout the Meeting who shall vote on the matter for decision. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7. Frequency and Notice of Meetings

- 7.1.** The Committee should meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as the Committee deems appropriate.
- 7.2.** The Committee shall establish an annual work plan. The annual plan shall ensure proper coverage of the matters laid out in the Committee's Terms of Reference.
- 7.3.** Additional Meetings, may, with approval of the Chairman of the Committee, be held at the request of the Board, the Group Chief Executive Officer, the Group Chief Finance Officer, Officer in Charge of Enterprise Risk Management, any Member of the Audit & Risk Committee, other Members of Senior Management team of EMTEL, the External Auditor or the Internal Auditor.
- 7.4.** The Chairman of the Committee may meet with key individuals involved in the Company's governance, including the Chairman of the Board, Senior Management of EMTEL, the Company Secretary, the Internal Auditor and the External Auditor to discuss important issues and agree on the Agenda.
- 7.5.** Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee, or at the requisition of any of its Members, if considered necessary.
- 7.6.** Notice of Meetings of the Committee, confirming the venue, date and time, together with an agenda of items shall be set by the Chairman of the Committee in consultation with Senior Management of EMTEL and the Officer in charge of Enterprise Risk Management.
- 7.7.** The Notice and Agenda of a Meeting of the Committee shall be forwarded at least one week prior to the Meeting to the Members of the Committee, and where applicable to other attendees and as deemed appropriate. Supporting papers shall be sent to Committee Members and to other attendees as appropriate, at the same time.

7.8. Outside of the formal meetings, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including Board Chairman, the External Audit Lead Partner, the Internal Audit Lead Partner, Legal representative of the Company, the Company Secretary, to review the compliance with the applicable laws, regulations, litigations, claims and contingencies and any risks arising.

8. Minutes of Meeting

The Minutes of proceedings and decisions of the Committee Meeting shall be promptly prepared by the Secretary and sent to the Chairman of the Committee for review thereof, within seven working days of having held the Committee. The reviewed Minutes shall then be circulated to the other Members of the Committee, and any attendees (as appropriate) and thereafter be submitted for approval by the Committee at its next scheduled Meeting.

9. Meetings of Shareholders

The Chairman of the Committee shall attend meeting(s) of shareholders and be prepared to answer questions from the Shareholders on the Committee's activities.

10. Responsibilities - Terms of Reference

The Committee shall carry out the following duties:

10.1. In relation to "Audit Functions"

10.1.1 Financial Reporting

- Examine and review the quality and integrity of the Financial Statements of EMTEL, including its Annual Report and review significant financial reporting issues and judgments, which they contain.
- Review and recommend (i) the approval of the Annual Report and Audited Financial Statements of the Company, and (ii) the approval of the Quarterly Abridged Unaudited/Audited Financial Statements or any other Interim Reports or formal announcements relating to the Financial Performance of the Company, to the Board.
- The Committee shall review where necessary: -
 - the consistency of and any changes to, accounting policies both on a year on year basis and across the Subsidiary Companies;
 - Compliance with accounting standards, local and international, compliance with the applicable laws and legal requirements;
 - the methods used to account for significant or unusual transactions where different approaches are possible;

- whether EMTEL has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the External Auditor;
- any significant adjustments / estimates / judgements as included in the Accounts;
- the adequacy of provisions made and write-offs;
- the clarity and completeness of disclosure in EMTEL's Financial Reports and the context in which statements are made;
- all material information presented with the Financial Statements, such as the operating and financial review and the corporate governance statement (in so far as it relates to the Audit and Risk management). Where the Committee is not satisfied with any aspect of the proposed Financial Reporting by the Company, the Committee shall report its views to the Board;
- review the Company's internal controls related to financial reporting and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses and any fraud involving management or other employees with a significant role in such controls and procedures.
- Capital adequacy and Internal Controls;
- Compliance with the Financial Conditions of any loan covenants;
- Review special documents such as prospectuses, etc.
- Any conflicts of interests or related party transactions.

10.1.2 Narrative Reporting

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.

10.1.3 Internal Audit

The Committee shall:

- Should monitor the independence and objectivity of the internal audit function and assess its performance against relevant standards;
- Monitor and review the effectiveness of the Internal Audit function in the context of the Company's overall risk Management system;
- Approve the appointment and removal of the Internal Auditor; together with the remuneration of the latter; the Committee shall oversee the selection process for new auditors and if an auditor resigns, the Committee shall investigate the issues leading to the said resignation and decide whether any action is required;
- Consider and approve the remit of the Internal Audit function and ensure it has adequate resources and appropriate access to information to enable it to fulfil its mandate, and is equipped to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from Management or other restrictions;
- Ensure the Internal Auditor has direct access to the Board Chairman and to the Committee Chairman, and is accountable to the Committee.
- Review, approve and assess the annual Internal Audit plan of the Company, auditable areas covered according to risk trends, and the scope of internal audit exercises;
- Receive reports from Management of the Company and the Subsidiaries on the effectiveness of internal control and risk management systems and the conclusions of any testing performed by the internal or external auditors;
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditor; and regularly review progress made on implementing the remedial actions to mitigate risks;
- Monitor the Company's Risk Management System, review and challenge the risk dashboard, risk register and heat map maintained by Management on a periodic basis, as the case may be;
- Meet the Internal Auditor to discuss their remit and any issues arising

from the Internal Audits carried out. In addition, the Internal Auditor shall be given the right of direct access to the Chairman of the Board and to the Committee. The Committee shall meet with the Internal Auditor, without the presence of Management, as and when deemed necessary.

10.1.4 External Audit

The Committee shall

- Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual Meeting, in relation to the appointment, re-appointment and removal of the company's External Auditor. The Committee shall oversee the selection process for new Auditors and if an Auditor resigns, the Committee shall investigate the issues leading to the said resignation and decide whether any action is required;
- Ensure that the audit partner is rotated at least every 5 years.
- Oversee the relationship with the external Auditor for the Company and the Subsidiary Companies including (but not limited to): -
 - recommendations on their remuneration, whether fees for Audit or Non-Audit services and that the level of fees is appropriate to enable a comprehensive audit to be conducted;
 - approval of their terms of engagement, including any engagement letter issued at the start of each Audit and the scope of the audit; the Annual Audit Plan of the Company and ensure that it is consistent with the scope of the Audit engagement.
 - 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;
 - Satisfying itself that there is no relationship (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.
 - agreeing with the Board a policy on the employment of former employees of EMTEL's Auditor, then monitoring the implementation of this policy;

- monitoring the Auditor's compliance with relevant ethical and professional guidance on the rotation of Audit partners;
- assessing annually the resources and the Auditor and its effectiveness of the audit process which shall include a report from the external Auditor on their own internal quality procedures.
- to ensure co-ordination between (i) audit firms (where more than one audit firm is involved) and (ii) with the activities of the Internal Audit Function;
- Meet regularly with the External Auditor, including meeting(s) as appropriate at the audit planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the External Auditor at least once a year, without Management being present, to discuss their remit and any issues arising from the audit.
- Review the findings and effectiveness of the audit with the External Auditor. This shall include but not be limited to the following;
 - key areas of risk for misinformation in the financial statements, including critical accounting policies, accounting estimates and financial statement disclosures;
 - changes in audit scope;
 - whether the external auditor considers the estimates used as aggressive or conservative within an acceptable range;
 - significant or unusual transactions;
 - internal control deficiencies identified during the course of the audit.
- Review any representation letter(s) requested by the External Auditor before they are signed by Management;
- Review of the audited financial statements for adequacy before their approval by the Board;
- Review the Management letter and Management's response to the Auditor's findings and recommendations and follow up thereon at Audit & Risk Committee Meetings; and
- Develop and implement a policy on the supply of non-audit services by the External Auditor, taking into account any relevant ethical guidance on the matter.

10.1.5 Cyber, Information and Technology Risk Management

The Committee shall be responsible for:

- reviewing and approving at least annually or periodically depending on the threat landscape, the technology strategy, the relevant cyber and technology risk management strategy and framework and related policies for the Company and its Subsidiaries, as appropriate;
- providing relevant guidance in the development of and approving a cyber and technology risk appetite and tolerance statement that describes the nature and level of cyber and technology risk the Company is willing to assume in order to achieve business goals and the technology strategy;
- ensuring that it receives regular and timely reports on material cyber and technology incidents, on the evolution of the threat landscape including current and emerging risks, on the findings of internal audits, external audits and testing exercises and on the overall status and effectiveness of the cyber and technology risk management framework of the Company and its Subsidiaries, as appropriate;
- ensuring that cyber and technology risk management matters are adequately discussed at the Committee Meeting and the Board Meeting;
- ensuring that the Company, with the approval of the Board, appoints a senior officer as a Chief Information Security Officer ('CISO');
- promoting a strong culture to cyber and technology resilience; and
- ensuring that a robust cyber and technology risk awareness and training programme for the employees and Directors is put in place;
- ensuring adherence to the prevailing laws, legislations and guidelines issued by the Regulatory bodies in matters of Cyber and Technology Risk Management, Telecommunication Security Measures, etc.

10.1.6 Whistleblowing

The Committee shall review EMTEL's arrangements for its employees to raise concerns to the Chairman of the Board of Directors of EMTEL, who shall then as appropriate, delegate the matter to the respective Board Committees Chairman in confidence, about possible wrongdoing in financial reporting or other matters. The respective Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

10.1.7 Related Party Transaction

Consider and approve Related Party Transaction(s) between EMTEL and its Related Parties as reported by the Secretary.

10.2. In relation to the “Risk Assessment & Management Functions”

- Advise the Board of overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments such as those published by the Bank of Mauritius and other authoritative sources that may be relevant for the Company’s risk policies.
- Identifying risks, assess their potential impact, and have policies and controls in place to manage risks effectively. There are risks relating to liquidity, credit, operations, markets, and several other aspects of operations.
- The Company’s must have a Risk Appetite Framework (‘the Framework’) approved by the Board, which is well understood throughout the Company. All corporate, operational, and financial policies should support the Framework, which should be forward-looking and consistent with the Company’s short-term and long-term strategic plan. The framework should set benchmarks as to the acceptable risk limits, taking into account relevant financial, operational, and macroeconomic factors. The Committee shall review the Framework and recommend to the Board for approval.
- Review policies related to risk management.
- Oversee and advise the Board on the current risk exposures of EMTEL and its Subsidiary Companies and future risk strategy.
- Keep under review EMTEL’s overall risk assessment processes.
- Review regularly and approve the parameters used and the methodology adopted.
- Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- Review EMTEL’s capability to identify and manage new risk types, if any.
- Review reports on any material breaches of risk limits and the adequacy of

proposed action.

- Keep under review the effectiveness of EMTEL's internal financial controls and internal controls and risk management systems.
- Consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from Management or other restrictions.
- Recommend to the Board the appointment and/or removal of the Officer in charge of Enterprise Risk Management for EMTEL.
- Review promptly all reports on Enterprise Risk Management for EMTEL and its subsidiaries.
- Review and monitor Management's responsiveness to the findings and recommendations from the Officer in charge of Enterprise Risk Management.
- Receive reports, if any, on fraud and other irregularities and legal matters involving the Company and its Subsidiary Companies.
- Ensure that reporting by Management on Risk Management should be a standing agenda item of the Committee's meetings;
- Meet with the internal auditor without the presence of management, as and when deemed necessary; and
- Review and recommend to the Board:
 - Disclosures and Statements to be included in the Company's Annual Report, including the Corporate Governance Report, in relation to internal control, risk management and the viability statement;
 - Management's recommendations regarding the Risk Appetite Statement of the Company.

11. Reporting Responsibilities

- The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and on how it has discharged its responsibilities. The report shall include:

- The significant issues that it considered in relation to the Financial Statements and how these were addressed;
 - Its assessment of the effectiveness of the external audit process and its recommendation on the appointment or re-appointment of the External Auditor;
 - Any other issues on which the Board has requested the Committee's opinion.
- The Committee shall make requisite recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - The Committee shall validate report to Shareholders on its activities to be included in the Company's Annual Report.
 - A written report on the Committee's deliberations shall be circulated to the Board, in line with the current practice.
 - Report on the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance;
 - Report on the findings of any investigation or on-site inspection by the Regulatory Authorities.

12. Authority

The Committee: -

- Shall act in terms of the delegated authority of the Board as recorded in these terms of reference.
- Shall, in the fulfilment of its duties, call upon the Chairman of the other Board Committees, the Executive Directors, Senior Management, Company Secretary or any employee of the Company and/or its Subsidiaries, to provide it with information, as per an approved Board process.
- Be authorised, at the Company's expense, to obtain outside legal or other professional advice on any matter within its terms of reference.
- May set up sub-committees of the Committee or appoint one or more designated Members of the Committee with appropriate delegation powers, to work on specific assignments, which are within its terms of reference.
- Shall have reasonable access to sufficient resources, and the Company's records, in

order to carry out its duties, including access to the secretariat of EMTEL and its Subsidiaries, for assistance as required.

- Shall 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.
- Shall give due consideration to applicable laws and regulations, the provisions of the National Code of Corporate Governance of Mauritius, and any other relevant regulatory requirements, as appropriate.
- Shall oversee any investigation of activities which are within its terms of reference.
- shall evaluate its own performance at least once every two years and report to the Board on such evaluation.
- Shall, 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 for approval.

13. Remuneration

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.

14. Terms of reference

The Committee may recommend to the Board, for approval, any amendments to these Terms of Reference. The Board shall then review and, if necessary, amend these Terms of Reference annually, or more frequently if required.

Approved by the Board of Directors of Emtel Limited on 7th November 2024.