

MAURITIUS HOUSING COMPANY LTD

AUDIT COMMITTEE CHARTER

1. Purpose

The Audit Committee (hereinafter referred to as 'the Committee')) assists the Board of Directors of Mauritius Housing Company Ltd (hereinafter referred to as 'MHC' or 'the Company') in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices, quality and integrity of financial reports, compliance, internal controls, and business ethics.

2. Membership

- 2.1 The Committee shall comprise at least three (3) independent non- executive directors appointed by the Board.
- 2.2 The Board shall appoint a Chairperson from members of the Committee.
- 2.3 The Chairperson of the Board and any executive director shall not be eligible to be appointed as Chairperson or member of the Committee.
- 2.4 The Board shall satisfy itself that the Chairperson of the Committee has recent and relevant financial experience with a professional qualification from one of the professional accountancy bodies.
- 2.5 Members of the Audit Committee should preferably have financial background and conversant with both international auditing standards and international financial reporting standards.
- 2.6 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.

3. Secretary

- 3.1 The Company Secretary shall act as the Secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be a majority of members.

5. Frequency of meetings

- 5.1 The Committee shall meet at least once every quarter to execute its mandate effectively.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson or any of its members or at the request of the External Auditor or Internal Auditor or Risk Officer if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to Committee members and any other attendees before the date of the meeting

7. Minutes of meetings

- 7.1 The Secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance.

8. Written Resolutions

- 8.1 Decisions may also be taken by way of written resolutions signed by all members of the Committee.

9. Terms of Reference

The Committee shall fulfill its duties and responsibilities as follows:

- 9.1 The Audit Committee should approve the audit plans (external and internal) to ensure there are risk-based and address all activities over a measurable cycle, and that the work of external and internal auditors is coordinated.
- 9.2 The Audit Committee, not senior management, should recommend to shareholders the appointment, removal and remuneration of external auditors. It should also approve the engagement letter setting out the scope and terms of external audit.
- 9.3 The Audit Committee shall approve the remuneration of the Head of Internal Audit.
- 9.4 The Audit Committee should assess periodically the skills, resources, and independence of the external audit firm and its practices for quality control.
- 9.5 The Audit Committee should assess whether the accounting practices of the auditee are appropriate and within the bounds of acceptable practice.

9.6 The Committee should ensure that there is appropriate structure in place for identifying, monitoring, and managing compliance risk as well as a reporting system to advise the Committee and the board of instances of non-compliance on a timely basis.

9.7 The Audit Committee should discuss with senior management and external auditors the overall results of the audit, the quality of financial statement and any concerns raised by external auditors. This should include:

- 9.7.1 Key areas of risk for misinformation in the financial statements, including critical accounting policies, accounting estimates and financial statement disclosures;
- 9.7.2 Changes in audit scope;
- 9.7.3 Whether the external auditor considers the estimates used as aggressive or conservative within an acceptable range;
- 9.7.4 Significant or unusual transactions; and
- 9.7.5 Internal control deficiencies identified during the course of the audit.

9.8 Further responsibilities of the Audit Committee include:

- 9.8.1 Examine and review of the audited financial statements, including its annual report for adequacy before their approval by the board;
- 9.8.2 Assessment of whether the institution has implemented adequate internal control and financial disclosure procedures;
- 9.8.3 Review of any transactions brought to its attention by auditors or any officers of the institution, or that might otherwise come to its attention, which might adversely affect the financial condition of the institution;
- 9.8.3.1 Report to the board on the conduct of its responsibilities in frequency specified by the board, with particular reference to section 39 of the Banking Act 2004; and
- 9.8.4 Ensure that management is taking appropriate corrective action in response to deficiencies identified by the auditors, including internal control weaknesses and instances of non-compliance with laws.

10. Reporting responsibilities

- 10.1 The Committee shall make recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

11. Other matters

The Committee shall:

- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 11.2 Work and liaise as necessary with all other Board Committees.
- 11.3 Arrange for periodic reviews of its own performance and, as when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. Authority

- 12.1 The Committee is authorized by the Board to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

Reviewed and Approved by the Board on 26 June 2023.