

Audit and Risk Committee Charter (the “Charter”)

EKADA CAPITAL LTD

IFC 4 Building, Dr. Ferrière Street, Port Louis, 11328 Mauritius

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Content Information

This document may be amended at any time, as and when the Board of EKADA CAPITAL LTD (“the Company” or “EKADA”, formerly known as AfrAsia Capital Management Ltd) deems it necessary for the general benefit of the business.

INTRODUCTION

An audit and risk committee plays a pivotal role in supporting its board of directors into providing insight in relation to risk management, internal control practices, systems and methodologies. The ARC will maintain a strong relationship with both the internal and external auditors and ensure proper coordination to maintain the highest standard of internal control and the integrity of the financial statements and reporting.

The national code of corporate governance for Mauritius 2016 recommends the setting up of an audit committee and a risk committee for each company. In this respect the board of directors of EKADA (the "Board") has opted to create its Audit and Risk Committee ("ARC" or the "Committee") which will be guided by the present Charter or any subsequent version of same, as approved by the Board.

1. OBJECTIVES

- 1.1 The Board is responsible for the risk management and for the integrity of the financial statements of the Company.
- 1.2 Other areas that need to be reviewed are important accounting issues, financial reporting processes, the system of internal control and management of business and financial risks, the audit process, impending changes in legislation that will give rise to changes in practice, compliance in regard to specific disclosures in the financial statements and the publication of the annual report.
- 1.3 The overall objectives as stated above, whilst remaining the responsibility of the Board as a whole, have been delegated by the Board to this Committee and shall deal with all pertinent matters relating to the operations and risks of the company. The Committee will maintain an effective working relationship with the Board of directors, management and the internal and external auditors.

2. MEMBERSHIP

- 2.1. The Committee shall comprise of not less than three (3) non-executive directors appointed by the Board, at least two (2) shall be independent non-executive directors. Executive directors should not be members of the Committee.
- 2.2. The Board shall appoint a Chairperson from the Committee and determine the period for which he or she shall hold office.
- 2.3. The Board shall satisfy itself that the Chairperson of the Committee and at least one (1) member of the ARC has recent and relevant financial experience, with accounting or related financial management expertise.
- 2.4. The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- 2.5. Only members of the Committee have the right to attend committee meetings and have voting rights. However, with the permission of the Chair, the Committee may invite other participants to attend its meetings, such as the external or internal auditors, the finance manager or any other expert resource as and when deemed appropriate and necessary.

3. SECRETARY

- 3.1 The Company Secretary, or its nominee shall act as the secretary to the ARC and shall attend the ARC meetings accordingly.
- 3.2 The Company Secretary or its nominee shall:
- (i) liaise with the Chair of the ARC to finalise the agenda
 - (ii) issue the notice of meeting to the ARC members
 - (iii) ensure timely receipt of working papers by members
 - (iv) guide the ARC in terms of procedural and administrative matters
 - (v) take minutes of the ARC meetings and circulate same pursuant to section 6 below.
- 3.3 The Company Secretary shall maintain all the legal records related to the ARC as prescribed by guidelines, legislation and best practice and ensure they are up-to-date.

4. QUORUM AND FREQUENCY OF MEETINGS

- 4.1. The quorum necessary for the transaction of business shall be at least two (2) members, one (1) of whom should be an independent non-executive director.
- 4.2. The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 4.3. 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 CEO, the CFO, the external audit lead partner and the head of internal audit. The Committee Chairperson, at his discretion, may invite other executives to attend and to be heard at meetings of the Committee.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be convened by the Company Secretary in accordance with section 4 above, at the request of its Chair or any two (2) of its members or at the request of the external audit lead partner or head of internal audit, ideally in consultation with the Chairperson of the ARC, if they consider it necessary.
- 5.2 The notice of the meeting shall confirm the venue, time and date together with an agenda of items to be discussed and supporting papers, shall other than under exceptional circumstances, be forwarded to each member of the Committee, any other person required to attend, no later than five (5) working days before the date of the meeting.

6. MINUTES OF MEETINGS

- 6.1 The Secretary of the Committee shall minute all proceedings and decisions of all meetings of the Committee, and draft minutes of the ARC meetings shall be circulated no later than fifteen (15) business days following the meeting to the Committee Chairperson, and to all members of the Committee usually within a maximum of one (1) month following the meeting, unless special circumstances prevent so.

7. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Financial Statements

- 7.1. The Committee shall examine and review the quality and integrity of the financial statements of the Company, including its annual and half-yearly reports, interim reports and any other formal announcement relating to the EKADA's financial performance.
- 7.2. The Committee shall review and report to the Board on significant financial reporting policies, issues and judgements which the financial statements contain having regard to matters communicated to the Committee by the auditor.
- 7.3. The Committee shall review and when necessary, challenge matters set forth or as delegated by the Board from time to time:
 - (i) The relevance, adequacy and consistency of the accounting policies of the Company
 - (ii) Compliance with accounting standards, local and international, compliance with the local stock exchange and legal requirements
 - (iii) Methods used to account for significant or unusual transactions where different approaches are possible, including significant adjustments resulting from the audit
 - (iv) The clarity and completeness of disclosure in the Company's financial reports and the context in which the statements are made
 - (v) All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and risk management.
 - (vi) The basis on which the Company has been determined a going concern.
 - (vii) Capital adequacy and internal controls.
- 7.4. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its view to the Board.

Narrative Reporting

- 7.5. Where requested by the Board, the Committee shall review the content of the annual report, accounts and any special documents (such as prospectuses) 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.

8. INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Committee shall

- 8.1. Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems.
- 8.2. Review and approve the statements to be included in the annual report concerning internal controls and risk management.

9. COMPLIANCE, WHISTLEBLOWING AND FRAUD

The Committee shall

- 9.1 Review the adequacy and security of the Company's arrangements for its employees and business partners to raise concerns, about possible wrongdoing in financial reporting or other matters, in an independent and proportionate way and ensure a follow up in this respect.
- 9.2 Review the internal procedures for detecting fraud, systems and controls for the prevention of bribery and receive reports on non-compliance.
- 9.3 Receive regular reports from the Compliance Officer of the Company and keep under review the adequacy and effectiveness of the Company's compliance function.
- 9.4 Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.
- 9.5 Review significant transactions not directly related to the Company's normal business as the Committee and the Board might deem appropriate

10. INTERNAL AUDIT

The Committee shall

- 10.1. Recommend to the Board for approval the appointment or termination of the internal auditor, head of internal audit or the organisation providing internal audit services to the Company.
- 10.2. Ensure the internal auditor has direct access to the Board Chairperson and to the Committee Chairperson and has the necessary resources and access to information to enable it to fulfil its mandate with appropriate standards.
- 10.3. Ensure the internal auditor is accountable to the Committee.
- 10.4. Review and assess the internal audit work plan and charter (if any).
- 10.5. Receive periodic reports from the internal audit function, including findings and recommendations.
- 10.6. Review and monitor management's responsiveness to the internal auditor's findings and recommendations.
- 10.7. Monitor and review the company's overall risk management system.
- 10.8. Safeguard the Company's assets against unauthorised use or disposal.
- 10.9. Direct and supervise investigations on matters concerning evaluations of the effectiveness of the organisation's internal control, cases of fraud, misconduct or conflict of interest, wilful omission, and misrepresentation.

10.10. Meet with the internal audit team as and when requested without the presence of management.

11. EXTERNAL AUDIT

The Committee shall

- 11.1. Consider and make recommendations to the Board, to be put to the Shareholders for approval at the annual meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor.
- 11.2. Ensure that at least once every ten (10) years or as required under the relevant laws or other regulatory requirements, the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by incumbent auditor with those of other audit firms; and in respect of such tender, oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals.
- 11.3. Ensure that the signing audit partner is rotated as and when deemed necessary, ideally every five (5) years.
- 11.4. If an auditor resigns, investigate the issues leading to this and decide whether any action is required.
- 11.5. Hold regular meetings with the external auditors including ideally one (1) meeting without the presence of management and oversee the relationship with the external auditor including:
 - (i) 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.
 - (ii) Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
 - (iii) Assessing as often as required 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
 - (iv) 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.
 - (v) Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements.
 - (vi) Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which may include a report from the external auditor on their own internal quality procedures.
 - (vii) Seeking to ensure co-ordination between audit firms (where more than one audit firm is involved).
 - (viii) Seeking to ensure co-ordination with the activities of the internal auditors
 - (ix) 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.

- 11.6. Review and approve the annual audit plan and ensure it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
- 11.7. Consider whether any significant ventures, investments or operations are not subject to external audit.
- 11.8. Review the findings of the audit with the external auditor. This shall include but not limited to, the following:
 - (i) A discussion of any major issues which arose during the audit period
 - (ii) Key accounting and audit judgements
 - (iii) Levels of errors identified during the audit; and
 - (iv) The effectiveness of the audit process.
- 11.9. Review the representation letter and the management letter including management's response to the auditor's findings and recommendations.
- 11.10. 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.

12. REPORTING RESPONSIBILITIES

- 12.1. The Committee Chairperson shall report to the Board about its proceedings after each meeting on all matters within its range of duties and responsibilities.
- 12.2. The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3. The Committee shall ensure that provisions regarding disclosure of information are fulfilled and produce a report 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 in relation to the financial statements and how these were addressed, having regard to matters communicated to it by the auditor. The Committee should exercise judgment in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters on whether the Company is a going concern.

13. REMUNERATION OF MEMBERS

- 13.1. Having cognisance of the functions performed by the members of the Committee in relation to the activities of the ARC, in addition to their functions as directors, members 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.
- 13.2. The Chairperson of the Committee shall receive a higher remuneration than other Committee members, as determined by the Board.

14. AUTHORITY

The Committee is authorised to:

- 14.1 Seek any information it requires from any employee of the Company in order to perform its duties or call any employee to be questioned at a meeting of the Committee.
- 14.2 Obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so. The reasonableness of corresponding expenses shall be discussed with the Chairperson of the Board.

15. ANNUAL MEETING

- 15.1 The Committee Chairperson shall attend the annual meeting to answer shareholder questions on the Committee's activities.

Approved by the Board of Directors on 26 November 2021.