

Audit and Corporate Governance Committee Charter

May 2023

Table of Contents

	Page No
1. SCOPE	2
2. PURPOSE AND TERMS OF REFERENCE OF THE COMMITTEE	3
3. ORGANISATION	3
4. REVIEW AND PERFORMANCE EVALUATION.....	5

1. Scope

The National Code of the Corporate Governance for Mauritius 2016 (NCCG) state that at a minimum, the board of any organisation should consider the establishment of an audit and risk committee and a corporate governance committee.

Under Section 5(2)(b) of the Economic Development Board Act 2017, the EDB *'shall have the power to set up such subcommittee, technical committee, commission or council as may be necessary to assist the Board or the Chief Executive Officer in the discharge of their functions'*.

The Audit and Corporate Governance Committee ("the Committee") of the Economic Development Board ("EDB") plays an important role in providing oversight of the organisation governance, risk management, financial reporting, internal control practices and internal and external audit responsibilities. This oversight serves as a mechanism to provide confidence in the integrity of these practices.

The Committee assists EDB's Board ("the Board") and management by providing advice and guidance on the adequacy of the EDB's initiatives for:

1. Values and ethics;
2. Governance structure;
3. Risk management;
4. Internal control framework;
5. Oversight of the internal audit activity and external auditors; and
6. Financial statement and public accountability reporting.

This Charter sets out the authority delegated by the Board to the Committee and the Committee's role, responsibilities, powers, composition, and operations.

The Committee is established by the Board and may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee. The Committee can, within the scope of its responsibility, recommend and endorse certain matters for Board approval.

Board delegation to the Committee is formal and involves the following:

1. formal Terms of Reference, which includes the determination of responsibilities and delegated authority, are established and approved for the Committee;
2. the Committees' Terms of Reference are reviewed every second year;
3. the Committees are appropriately constituted with Board members and with due regard to the skills required by the Committee;
4. the Board is supported by the Committee and there is a formal reporting to the Board through reports and/or minutes of the meetings of the Committee; and
5. The Board may establish other committees from time to time.

2. Purpose and Terms of Reference of the Committee

The establishment of the Committee is to improve boardroom efficiency and should not detract from the responsibility of the full Board. The purpose and terms of reference of the Committee, as approved by the Board are:

- a. Oversee matters related to financial reporting, internal control systems, risk management systems and the internal and external audit responsibilities of the EDB;
- b. Review the financial statements of EDB, prior to approval by the Board;
- c. Assess the controls and best practices put in place by the EDB to mitigate any operational and reputational risks;
- d. Set up priorities for the conduct of internal audits, including audit of internal control systems put in place to mitigate the risks of EDB;
- e. Report to the Board on the internal audits as and when internal audits are completed;
- f. Determine, agree, and develop EDB's general policy on corporate governance in accordance with the recommendations of the NCCG; and
- g. Ensure compliance with the principles of the NCCG when disclosing on corporate governance in the annual report.

3. Organisation

3.1 Composition of the Committee

The Committee shall comprise entirely of non-executive directors. The Committee members should have the appropriate balance of skills, experience, independence, and knowledge of EDB to enable them to discharge their respective duties and responsibilities effectively and to assist the Committee to perform its functions.

3.1.1 Members

The Committee shall comprise of not less than 3 non-executive directors appointed from time to time by the Board and the Board shall determine the period for which he or she shall hold office as a member of the Committee.

The Chairperson of the Board and/or the CEO shall not be eligible to be appointed as Chairperson of the Committee.

The Board shall satisfy itself that the Chairperson of the Committee and at least one of its members possesses accounting or related financial qualifications and experience. The Board shall have the power at any time to appoint, replace or remove any members from the Committee and to fill any vacancies created by such removal.

3.1.2 Chairperson

The Chairperson of the Committee will be nominated by the Board. Where the Chairperson of the Committee is unavailable for a meeting, another Committee member will act in that capacity as chosen by the remaining Committee members present.

3.1.3 Secretary

The Secretary of the Committee shall be appointed and approved by the Board for such period as may be determined by the Board. The Secretary shall ensure that the Committee members receives information and papers in a timely manner to enable full and proper consideration of matters set out in the agenda of Committee meetings.

The Secretary of the Committee shall keep all records, including the agenda, minutes the proceedings, any reports or recommendations and decisions of all meetings of the Committee.

3.1.4 Quorum

The quorum necessary for the transaction of business shall be at least two members or a majority of the Committee members, whichever is greater.

3.1.5 Frequency of meetings

The Committee will meet as frequently as is necessary to undertake its role effectively and, in any event, at least four times per year.

3.1.6 Notice and Minutes of meetings

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of its Chairperson, any of its members, the CEO or the Head of Governance, Risk and Compliance of EDB.

The agenda and notice of meeting shall be circulated to all members of the Committee with reasonable notice. Minutes shall be approved at the next meeting of the Committee.

Committee meetings are permitted to be held in person, or by any technological means as consented to by the Chairperson of the Committee.

3.1.7 Attendees

Non-Committee members such as EDB's senior management and/or external parties who the Chairperson of the Committee think fit may be invited to attend all or part of a Committee meeting but should not participate if they have an interest in the matter under consideration.

It is expected that the CEO and/or Deputy CEO shall attend to Committee meetings where appropriate. The Head of Governance, Risk and Compliance shall have full access to the Committee.

3.1.8 Committee member interests

Members of the Committee will not participate in discussions and will not vote on any issues in respect of which the Member has an actual, potential, or perceived conflict of interest.

In the event of a conflict of interest, Members of the Committee shall disclose such interest and an entry shall be made in the register of interest to be maintained by the Secretary.

3.1.9 Formal mechanism for reporting key matters

The Chairperson of the Committee or such member as may be appointed by the Chairperson, shall report matters discussed, findings and recommendations of the Committee to the Board after each Committee meeting.

3.1.10 Irregularities

An irregularity in the notice or proceedings of a meeting is deemed to be waived if all members of the Committee entitled to attend and vote at the meeting, attend the meeting without protest as to the irregularity, or if all such members of the Committee agree to the waiver.

4. Review and Performance Evaluation

The Committee shall, from time to time, evaluate its effectiveness and shall review this Charter. Changes or updates required shall be recommended to the Board for approval. The Board shall be kept informed of the results and of any proposal for improvement resulting from the review and evaluation exercises.

This Charter shall be accessible on EDB's website.

**APPROVED AND ADOPTED BY THE BOARD OF THE ECONOMIC DEVELOPMENT
BOARD ON 6 MAY 2023**