

INNODIS LTD AND ITS SUBSIDIARIES

AUDIT POLICY

1. Appointment of External Auditor

1.1. Subject to paragraph 1.2 below, the External Auditor (“the Auditor”) shall be appointed at the general meeting of shareholders of Innodis Ltd, hereafter referred to as “the Company” and by written shareholder’s resolutions of each subsidiary of the Company, on the recommendation of the Board of Innodis Ltd.

The Board shall select a candidate for this appointment to the general meeting of shareholders based on an open, transparent and competitive selection process, and may recommend the replacement of the Auditor. The Auditor is normally automatically reappointed at the annual general meeting of shareholders in accordance with section 200 of the Companies Act 2001.

1.2. As far as possible, the same External Auditor shall be appointed for the Company and its subsidiaries

1.3. The Audit and Risk committee shall advise the Board on matters regarding external audit in accordance with section 10 of the Audit and Risk Committee Charter.

1.4. The Company, through its Constitution, otherwise aligns itself with the provisions of the Companies Act 2001 (Part IV Accounting Records and Audit – Sub-part B) in relation to the rules and regulations pertaining to the appointment of the Auditor.

2. Remuneration

2.1 The remuneration of the Auditor is normally fixed by the Board after seeking the authorization of shareholders at the annual general meeting.

3. Independence

3.1 The Risk and Audit Committee monitors the performance, effectiveness, objectivity, ethical conduct and independence of the Auditor on an annual basis.

3.2 Independence requires an absence of bias, personal interest (direct or indirect) or susceptibility to undue influence or pressure, any of which could lead to the conclusion, perception or belief that the audit opinion provided has not been based on objective considerations and the strict application of accounting rules and standards.

3.3 To evaluate the independence of the Auditor, the Committee takes the following non-exhaustive factors into consideration:

- a) The strict compliance by the Auditor with all applicable laws and regulations, in particular section 204 of the Companies Act 2001, dealing with the avoidance of conflicts of interest;
- b) Where the Auditor provides non-audit services to the Company, such services have to be first scrutinized by the Risk and Audit Committee and approved by the Board, and should not be provided by the same persons who are responsible for the provision of audit services to the Company;
- c) Any relationship or affiliation between the Company and the Auditor and its partners/staff should not impair the Auditor’s judgment and objectivity in the discharge of its functions.

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3.4 Conflicts of interest and potential conflicts of interest between the Auditor and the Company shall be resolved in such manner as determined by the Board on the recommendation of the Audit and Risk committee. Board members must inform the chairperson of the Audit and Risk committee of any matters they know of that may compromise the independence of the Auditor or that may result in a conflict of interest between the Auditor and the Company.

4. Rotation

4.1 The person who acts as lead partner must be rotated at least once every five years unless the Board considers that the latter is able to maintain independence of judgment and opinion in relation to the audit services offered to the Company.

4.2 In accordance with the provisions of the Financial Reporting Act 2004, the Company should not retain the same Auditor for a continuous period of more than 7 years. A tender shall be launched every 7 years to accredited, recognized firms to replace the Auditor.

4.3 When launching a tender, the Company shall request bidding firms to disclose to it in writing any affiliations and/or services (audit and non-audit) that:

- (a) are being rendered, or
- (b) have been rendered for the past 3 years, or
- (c) are planned/projected within the next 7 years;

with/to companies in Mauritius whose activities are in competition with the activities of the Company and/or its subsidiaries, as well as any lawsuits, threatened or pending, or judgments/rulings/awards (including settlements and arbitration awards) against them in connection with the provision of their audit services for the past 7 years.

The Board shall then take into account any such lawsuits, judgments/rulings/awards, affiliations or services when deciding whether to recommend any such firm for appointment to the shareholders.

5. Attendance to Board meeting

The Board may request the Auditor, if it deems appropriate, to attend the meeting of the Board at which the report of the Auditor with respect to the audit of the annual accounts is discussed, and at which the Board decides whether or not to approve the annual accounts. If so requested to attend, the Auditor shall be communicated any financial information underlying the quarterly (if any) and/or semi-annual financial reports, and other interim financial reports, and shall be given the opportunity to respond to all information.

6. Audit and Risk Committee is the principal contact of the Auditor

The Board's principal contact with the Auditor is through the Chairperson of the Audit and Risk committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit and Risk committee and the Auditor.

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7. Recommendations by Auditor

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the Auditor. This will include recommendations by the Auditor on the company's internal controls, as expressed in the annual audit 'management letter' after its presentation to the Audit and Risk Committee at the end of each financial year.

8. Reports to the Board

The Audit and Risk Committee shall report their dealings with Auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partner of the Auditor and the desirability of the Auditor providing both auditing and non-audit services to the company). The Board shall take this into account when deciding its nomination to the general meeting of shareholders for the appointment of an external auditor.

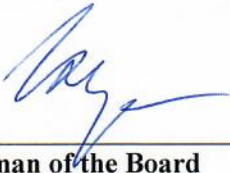
9. Representation by Auditor

When appointed, the Auditor shall state that it is aware of:

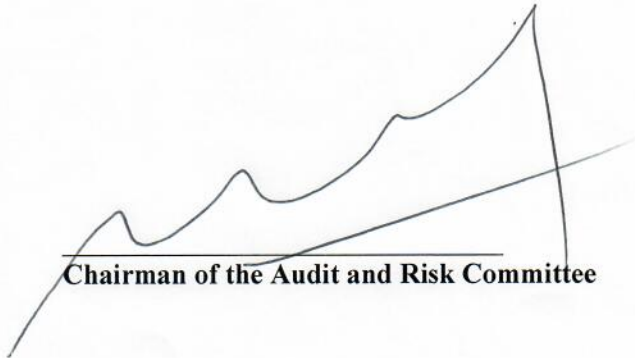
- a) this audit policy; and
- b) other matters provided for in the board charter and the charter of the Audit and Risk committee,

and that s/he agrees to abide by and promote such policies.

Read and approved



Chairman of the Board



Chairman of the Audit and Risk Committee

Approved by the Board on: _____