



Audit Committee Charter
Maldives Tourism Development Corporation PLC
5th January 2009

1. Audit Committee

1.1. MTDC has an audit charter in place to carry out the responsibilities of the Audit Committee and the members.

2. Purpose of the Committee

The Audit Committee is formed by the MTDC Board to assist the MTDC in the performance of its duties. The committee will dispense its duties in compliance with the code of corporate governance issued by the Maldives Capital Development Authority (CMDA). The aim of the Committee is:

- 2.1 To oversee the company's finance and the Financial Report, and to ensure that the internal control mechanisms are managed in such a reliable way that protects the interests of the shareholders.
- 2.2 To facilitate communication between the company's management, external auditors, internal auditors and the Board of Directors.
- 2.3 To oversee and ascertain the work undertaken by the Internal and External Auditors and the level of independence enjoyed by them in pursuing their mandated work.
- 2.4 To review and oversee those aspects of the business experiencing large losses and to ensure that the Company complies with the Laws and Regulations.

3. Membership of the Committee and its Structure

- 3.1 Members of the Audit Committee will be appointed by the Board of Directors in conjunction with the advice of the Nominating Committee. The members would receive financial incentive as determined by the Board of Directors. The Board of Directors enjoy the absolute right to appoint and remove members from the Committee.
- 3.2 The Committee shall comprise of four members; who shall be Non-Executive Directors of the Company. The Committee along with its chair will have three independent directors.
- 3.3 Not less than two members of the committee shall possess qualification in accounting or a field related to accounting and should have accounting knowledge, experience and skill.
- 3.4 The Audit Committee will have the full authority to acquire advisors, and legal opinion in exercising and discharging its functions. The Company must provide all required assistance and resources to the Committee to help it perform its functions appropriately.

4. Committee Meeting

- 4.1 The Audit Committee must have a meeting at least once every three month to review the external and internal audit of the Company. The Committee must mandatorily hold a meeting before the Company finalizes its annual financial report.

4.2 The Committee will have the authority to call and invite company directors, executives to attend its meeting.

4.3 The Committee must prepare a report containing information about every meeting held which shall be submitted to the Board. The Committee shall also prepare for the benefit of the Company's shareholders a report which shall be included in the annual report of the Company.

4.4 The Committee must submit minutes of the meeting to the Secretary of the Company.

5. Responsibility of the Committee

General

5.1 The Committee shall study and review the Charter of the Audit Committee and submit the required amendments to the Board.

5.2 The Committee shall form a mechanism and formulate rules to hear complaints relating to Company's assets and finance, and also to hear complaints lodged anonymously by the Company's employees relating to Company's assets and finance.

5.3 The Committee must ascertain the accuracy of the Company's Annual Financial Report and other financial reports and ensure that information relating to finance in the report is provided in a manner which is easy to comprehend.

5.4 The Committee must review and ensure that the set- up which has been placed to resolve issues that the company faces in governance (Internal Risk Control) and the set- up placed to assess the risk the company faces and mechanism to avoid and manage the risk (Risk Management System) effectively.

5.5 Prepare Financial Reports of each month and review the Report at the Committee before the 10th of the following next month.

5.6 The Committee must study, review and understand the Quarterly Report of the Company.

External Auditors

5.7 The External Auditors are accountable to the Audit Committee and the Board of Directors.

5.8 To observe and review that the External Auditor functions independently while performing its duties and to review the functioning of the external audit of the Company.

5.9 Review Company's Accounting Policy and changes brought in it and endeavor towards amending the policy if the policy is found to be ineffective and inefficient.

5.10 To review the Company's Annual Financial Report with Auditors before its publication.

Internal Auditors

5.11 The Internal Auditors are accountable to the Audit Committee and the Board of Directors.

5.12 To appoint Internal Auditors and observe their performance to ensure that they work effectively.

5.13 To review and approve the Budget of Internal Audit Department, salary and incentive of s senior employees.

5.14 To review the Internal Audit Plan and ensure that the Internal Auditors perform their functions in compliance with the audit plan and in an effective manner.

5.15 To submit the Company's Quarterly Accounts to the Audit Committee and to receive their opinion before its publication.

Legal Compliance

5.16 To review the Company's Financial Statement along with the Company's Lawyers.

Other Responsibilities

5.17 To advice the External and Internal Auditors on matters that require the attention of the Audit Committee.

5.18 To plan a schedule to list the agenda and work plan of the Audit Committee to perform its obligations and responsibilities.

In spite of the obligations and responsibilities of the Audit Committee stated herein above, it is not the mandate of the Committee to audit, ascertain the method of auditing and to determine the accuracy of Company's finances, however this is the duty of the management and External Auditors. The Committee does not have the mandate and power to hold investigation and settle differences between Management and External Auditors and to ensure legal compliance.

05 January 2009