

**EMTEL LIMITED**

**CONFLICT OF INTEREST AND RELATED  
PARTY TRANSACTION POLICY**

(the “Policy”)

<b>Document Title:</b>	Conflict of Interest and Related Party Transaction Policy
<b>Policy Owner:</b>	Company Secretary – Currimjee Secretaries Limited
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<b>Board's Approval</b>	20 March 2025

## 1. INTRODUCTION

- 1.1. Eritel Limited (“**Eritel**” or the “**Company**”) is committed to conducting its business in a fair, transparent, accountable and impartial manner, in the best interest of the Company and its Shareholders. Eritel is mindful of the importance of complying with statutory duties in connection with actual or potential conflicts of interest as well as Related Party Transactions, upholding good governance practices, and maintaining investor confidence and reputation.

## 2. PURPOSE AND SCOPE

- 2.1. This Policy sets out a guidance for the Company to adequately and effectively monitor and manage actual or potential conflicts of interest as well as Related Party Transactions which may arise during the conduct of the activities of the Company.
- 2.2. This Policy applies to transactions between the Company and Related Parties, and is intended to ensure due and timely identification, approval, disclosure and reporting of such transactions in compliance with applicable laws and regulations.

## 3. DEFINITIONS

### **Applicable Employee**

means any employee of Eritel, its Subsidiary or parent undertaking who is likely to be in possession of unpublished price-sensitive information in relation to Eritel because of his or her employment in Eritel, its Subsidiary or parent undertaking, irrespective of his or her holding or interest.

### **Associate**

- (a) in relation to any Director, Chief Executive or Controlling Shareholder who is an individual means:
- (i) his spouse and any child or stepchild under the age of 18 years of the Director, Chief Executive or Controlling Shareholder together (“**the individual’s family**”) and;
  - (ii) the trustees (acting as such) of any trust of which the individual or any of the individual’s family is a beneficiary or discretionary object; and
  - (iii) any company in the equity capital of which the individual and/or any member or members of the individual’s family (taken together) are directly or indirectly interested so as to exercise or control the exercise of

20 per cent or more of the voting power at meetings of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary; and

- (b) in relation to a Controlling Shareholder which is a company means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control the exercise of 20 per cent or more of the voting power at meetings of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.

<b>Board</b>	means the board of Directors of Emtel Limited.
<b>Chief Executive</b>	means a person who is or will be responsible under the immediate authority of the Board for conducting of the business of the Company.
<b>Controlling Shareholder</b>	means any person who is (or in the case of a related party transaction only was within the 12 months preceding the date of that transaction) entitled to exercise, or control the exercise of, 20 per cent or more of the voting power at meetings of shareholders of the Company or one which is in a position to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.
<b>Director</b>	means a member of the Board.
<b>Officer of Emtel</b>	means a chief financial controller, an executive, a company secretary of Emtel or of its Subsidiary or parent undertaking, who is likely to be in possession of unpublished price-sensitive information in relation to Emtel because of his or

her employment in Emtel, its Subsidiary or parent undertaking, irrespective of his or her holding or interest.

**Related Party**

in relation to the Company means a Director, Chief Executive, an Officer of Emtel, an Applicable Employee or Controlling Shareholder of the Company or any of its Subsidiaries or Associates of any of them.

**Related Party Transaction**

means (i) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between the Company, or any of its Subsidiaries, and a Related Party; or (ii) any arrangements pursuant to which the Company, or any of its Subsidiaries, and a Related Party each invests in, or provides finance to, another undertaking or asset.

**Shareholders**

means the shareholders of Emtel Limited.

**Subsidiary**

has the meaning given to it in section 2 of the Companies Act 2001 (as amended).

4. **GOVERNANCE**

- 4.1. The Board is ultimately responsible for ensuring that any situation of actual or potential conflict of interest as well as any Related Party Transaction is effectively identified and managed.
- 4.2. In the exercise of its responsibilities, the Board has delegated to the Audit and Risk Committee of the Company (the “**ARC**”), the responsibility to:
- 4.2.1. [monitor and report on related party transactions to the Board; and]
- 4.2.2. [consider and approve Related Party Transaction(s) between the Company and its Related Parties as reported by the Company Secretary.]
- 4.2.3. review where necessary any conflicts or interests or related party transactions.

5. **IDENTIFYING A CONFLICT OF INTEREST**

- 5.1. A conflict of interest may arise when a Director or Related Party has a direct or indirect personal or professional interest that conflicts with the interests of the Company or is in a situation of duality of interests, and where it could be reasonably perceived that the

- 5.2. Director's or the Related Party's interests could improperly or unduly influence the objective performance of his or her duties, obligations and responsibilities towards the Company.
- 5.3. The personal interests of a Director or his or her Associate must not take precedence over those of the Company and its shareholders. It is the duty of a Director to always act in the interests of the Company and not the person who nominated him or her, and they must endeavour to avoid conflicts of interest.
- 5.4. Conflicts of interest may result in inappropriate financial gain for persons in authority within the Company or its Subsidiaries; the appearance or lack of integrity in the Company's or that of its Subsidiary's decision-making process, or decisions or actions which are not in the interest of the Company.
- 5.5. Some common situations of conflicts of interest include but shall not be limited to:
- 5.5.1. a situation where a Director is also a board member of another company with which the Company collaborates or conducts business;
  - 5.5.2. a situation where an Officer of Emtel decides on supplier contracts and his or her direct or indirect family member is amongst the potential suppliers; or
  - 5.5.3. a situation where an Applicable Employee has a direct or indirect material financial interest in or with another party to the transaction.
- 5.6. Some of the common conflicts Directors should avoid include but shall not be limited to:
- 5.6.1. Personal benefits received from a person or company seeking to do business or to retain the services of the Company.
  - 5.6.2. Gifts which are not customary in normal business relationships should not be accepted nor given to any person or company seeking to do business or to retain the services of the Company.
  - 5.6.3. Engaging in any outside business, professional or other activities that would directly or indirectly adversely affect the Company.
- 5.7. A Director shall be interested in a transaction to which the Company is a party where the Director-
- (a) is a party to, or shall or may derived a material financial benefit from the transaction;
  - (b) has a material financial interest in or with another party to the transaction;
  - (c) is a director, officer, or trustee or another party to, or person who shall or may derive a material financial benefit from the transaction, not being a party or person that is-

- (i) the Company's holding company being a holding company of which the Company is a wholly owned subsidiary;
- (ii) a wholly owned subsidiary of the Company; or
- (iii) a wholly owned subsidiary of a holding company of which the Company is also a wholly owned subsidiary;
- (d) is the parent, child or spouse of another party to, or person who shall or may derive a material financial benefit from, the transaction; or
- (e) is otherwise directly or indirectly materially interested in the transaction.

## **6. IDENTIFYING A RELATED PARTY TRANSACTION**

- 6.1. Not all interests that are in conflict with the interests of the Company are cause for concern. Those conflicts of interest which are of concern tend to arise in Related Party Transactions, where the Director or Related Party has dual interests and sufficient decision-making power and ability to influence the decisions taken by the Company, with the result that his or her conflicting interests, do, may or could be perceived to override the interests of the Company and its shareholders.

## **7. DISCLOSING AND MANAGING CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS**

- 7.1. A Director must, as far as possible, avoid conflicts and where a conflict or potential conflict arises, full and timely disclosure of the conflict or potential conflict must be made to the Board, through the ARC, and all procedures for dealing with such cases must be strictly adhered to.
- 7.2. A Director shall, forthwith after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, cause it to be entered in the Interests Register:
- (i) where the monetary value of the Director's interest is able to be quantified, the nature and monetary value of that interest; or
  - (ii) where the monetary value of the Director's interest cannot be quantified, the nature and extent of that interest.
- 7.3. A Director shall not take part in any discussion or decision-making regarding any subject or transaction in which he or she has a conflict of interest with the Company.
- 7.4. A Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or she or his or her Associates have a material interest nor shall he or she be counted in the quorum present at the meeting.

- 7.5. All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the Company's business.
- 7.6. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.
- 7.7. Notwithstanding clause 7.4 above, a Director shall be entitled to vote and be counted in the quorum at the meeting in respect to the following matters: -
- (i) the giving of any security or indemnity either:
    - (1) to the Director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (2) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (ii) any proposal concerning an offer of Shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iii) any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in shares of that company, subject to that Director, together with any of his Associates, not being beneficially interested in five (5) percent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights of such company;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (1) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or
    - (2) the adoption, modification or operation of a pension fund or directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of person to which such scheme or fund relates; and
  - (v) any contract or arrangement in which the Director is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.



- 7.8. A Related Party shall forthwith after becoming aware of the fact that he or she is interest in a transaction or proposed transaction with the Company or matter which may result in the transaction being treated as a Related Party Transaction or is otherwise involved in an actual or potential conflict of interest, disclose in writing to the Chairperson of the ARC, the fact, nature and extent (including the monetary value of the interest, where same can be quantified) of his or her relations and interest.
- 7.9. The Related Party shall not take part in any deliberations or any decision-making process in relation to the said transaction.
- 7.10. Where a Related Party is in doubt as to whether he or she is in a conflict of interest or Related Party Transaction situation, he or she shall discuss the matter with the Chairperson of the ARC or the Company Secretary, for advice and guidance.
- 7.11. The Company Secretary shall be responsible for maintaining an interest register (the **Interests Register**"), which shall be available to shareholders upon written request to the Company Secretary.
- 7.12. It is the responsibility of each Director and Related Party to ensure that any interests be recorded in this register.
- 7.13. The fact that conflicts of interest have been effectively managed should be noted in the annual report.
- 7.14. The ARC shall work with the Company's external Auditors to identify, detect and report Related Party Transactions in the financial statements of the Company in accordance with International Accounting Standards.
- 7.15. Where a Related Party Transaction falls within the ambit of Chapter 13 (Notifiable Transactions) of the Listing Rules of the Stock Exchange of Mauritius, such Related Party Transaction shall be disclosed and approved in accordance with the provisions contained therein, and the Company shall comply with all its obligations thereunder.
- 7.16. The ARC shall be provided with the details of each new, existing or proposed Related Party Transaction, including its terms, business purpose, and the benefits to Emtel and to the relevant Related Party. In determining whether to approve a Related Party Transaction, the ARC shall consider, amongst other factors, the following, to the extent relevant to the Related Party Transaction-
- whether the terms of the Related Party Transaction are fair to Emtel and on the same basis as would apply if the transaction did not involve a Related Party;
  - whether there are business reasons for Emtel to enter into the Related Party Transaction;



- whether the Related Party Transaction would impair the independence of an outside director;
  - whether the Related Party Transaction would present an improper conflict of interest for any Related Party, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of the said Related Party's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the ARC deems relevant; and
  - whether the Related Party Transaction between Emtel and its Related Party has been conducted at arm's length with any consideration paid or received by the Company or its Related Party in connection with any such transaction being on terms no less favorable than terms available to any unconnected third party under the same or similar circumstances.
- 7.17. Upon completion of the review of the Related Party Transaction, the ARC shall assess whether to permit or to request to modify or to prohibit the Related Party Transaction and make appropriate recommendation(s) to the Board.
- 7.18. A Related Party Transaction entered into without the pre-approval of the ARC shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the Related Party Transaction is brought to the ARC as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the Related Party Transaction is covered by this Policy.
- 7.19. In case the ARC and/or the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the ARC and/or the Board, as appropriate may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Party Transaction, or modification of the Related Party Transaction to make it acceptable for ratification.
- 7.20. In connection with any review of a Related Party Transaction, the Audit and Risk Committee and/or the Board shall have authority to modify or waive any procedural requirements of this Policy.
- 7.21. The ARC shall submit with appropriate recommendation, to the Board, all Related Party Transactions recorded for consideration and approval / ratification.
- 7.22. The agenda of the Board at which approval for a Related Party Transaction is sought shall disclose the necessary details as have been provided to the ARC, for an informed decision, and if deemed fit, the Board may approve the Related Party Transaction with such modification as may be necessary or appropriate under the circumstances.

## 8. **POLICY REVIEW**

- 8.1. This Policy shall be reviewed by the ARC at least once every two year or more frequently to ensure accurate and timely compliance with applicable laws and regulations. Any amendment to the Policy shall be subject to the approval of the Board.