



Orange Egypt's Audit Committee Charter

February 27, 2019

1. Mission

Orange Egypt for Telecommunications S.A.E. (the "Company") Board of Directors (the "Board") has established an Audit Committee (the "Committee") to assist the Board in the oversight of both the internal and external audit functions in addition to governance matters. The Committee is an advisory committee acting under the Board.

2. Purpose

In accordance with applicable laws, regulations and rules, the purpose of the Audit Committee is to:

- Oversee the accounting, auditing, financial reporting and internal financial control matters of the Company.
- Monitor the integrity of the Company's management and its policies, legal compliance (in coordination with other committees), reporting practices and systems of internal controls regarding finance and accounting.
- Review the effectiveness of the Company's internal financial controls, internal audit, internal control and risk management systems.
- Recommend the appointment, compensation and retention of the External Auditors.
- Oversee the independence, qualifications and performance of the Company's External and Internal Auditors.
- Monitor the establishment and maintenance of procedures for processing complaints regarding accounting, internal controls or auditing matters and for the confidential anonymous submission by the Company's employees.
- Review any issue of conflict of interest, ethical conduct or compliance with law.
- Provide one avenue of communication among the External Auditors, management, the internal auditing function and the Board concerning accounting, auditing, financial reporting and controls.
- Carry out any other appropriate duties and responsibilities as may be assigned by the Board.

3. Authority

- Committee shall only be entitled to make recommendations to the Board but shall have no decision making authority. The ultimate decision remains with the Board.
- The Committee regularly reports to the Board.
- The External Auditors are directly accountable to the Committee.
- The Committee shall have direct access to the External Auditors and to anyone in the Company; the Committee shall have access to sufficient resources in order to carry out its duties and responsibilities.

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4. Composition and Requisite Skills

4.1 Composition

- The Committee shall be comprised of at least four (4) non-executives Board members, possessing the requisite competence and expertise in the business of the Company among them at least two (2) independent Board members.
- Members should collectively possess the expertise and experience in accounting, auditing and financial reporting needed to understand and resolve concerns raised by External and/or Internal Auditors.
- At least one (1) member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any comparable experience or background which results in the individual's financial sophistication, as defined by Sarbanes Oxley act and the Egyptian Exchange, to be considered "an Audit Committee financial expert".
- Members of the Committee are appointed and removed by majority vote of the Board. The term of the mandates of the Committee members cannot exceed the term of their mandate as Board members. Re-election of existing members or new members shall be arranged to maintain continuity.

Audit Committee Members

- Shall be independent of management and operating executives.
- Shall be free of any relationship that would interfere with the exercise of their independent judgment.
- Shall not directly or indirectly receive any consulting, advisory or other compensatory fees from the Company apart from compensation as a Board member and as Committee member.
- The prohibition on other compensatory fees includes indirect acceptance through payments to spouses or other family members and to entities in which the director is a partner, officer or holds a similar position, all as defined by law.
- The prohibition excludes amounts received from fixed retirement compensation for past service.

4.2 Committee's Chairman

- The Committee Chairman shall be appointed by the Company's Board.

4.3 Committee's Attendees

- The Committee's Chairman may request other Board members, members of management, representatives of External Auditors and other persons to attend meetings.

5. Meetings

5.1 Frequency

- The Committee shall meet as deemed necessary and at least three (3) times per fiscal year, physically or via conference call, on a schedule adopted by the Committee and as many additional times as the Committee deems necessary.

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- The Committee shall meet before any meeting of the Board where matters falling within its competence in accordance with this Charter shall be discussed. The Committee's Chairman shall present in sufficient details the Committee's recommendations to the Board members during said Board meeting, The Committee's Chairman or any two (2) other members of the Committee may call for a meeting of the Committee to consider a specific issue.
- The Committee shall have, at least once a year, one closed meeting with the External Auditors and one meeting with the Internal Auditor without the Company's management participation.

5.2 Quorum

- The quorum of meetings shall be the attendance of at least three (3) members, either in person or by proxy provided that at least two (2) members are present at the meeting physically or via teleconference.
- In the absence of the Committee's Chairman, the attending members shall appoint an acting Chairman.

5.3 Minutes

- The Chairman of the Committee may appoint the Committee Secretary, whose task shall include, especially, preparation of the meeting agenda, organization of distribution of documents and developments of minutes from the Committee meetings.
- The minutes will be circulated for the members to review and comment on within no more than one week from the date of the meeting.

6. Scope of Duties and Responsibilities

The scope of the Committee is to advise the Board on financial reporting and internal control principles of the Company and the subsidiaries it controls and to co-operate with the auditors of the Company.

The key functions of the Committee include:

6.1 Financial Reporting

- Monitoring the integrity of the financial information provided by the Company in particular by reviewing the Company's annual financial statements and quarterly (audited) financial statements as the case may be and the related documents prior to filing or distribution. The review should include discussion with management and External Auditors of significant issues regarding accounting principles, practices, audit findings, disclosures, judgments and any other requirement under accounting standards and rules.
- In consultation with management, External Auditors and Internal Auditor, consider the integrity of the Company's financial reporting process and controls.
- Discuss assessment of significant financial risk exposure and the steps management has taken to monitor, control and report such exposure.
- Review significant findings prepared by External Auditors and Internal Audit function together with management's responses.
- Review the process of issuing the Company's bonds and notes.

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- The Committee shall challenge when necessary:
 - a) The consistency of, and any changes to, accounting policies;
 - b) The methods used to account for significant or unusual transactions where different approaches are possible;
 - c) Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;
 - d) The clarity of disclosure in the Company's financial reports;
 - e) All material information presented with the financial statements.
- Prior to issuing any earnings release, the Committee shall review with management the information being communicated to the public in the press releases.

6.2 External Audit

The Committee shall:

- Consider and make recommendations to the Board in relation to the appointment, re-appointment and/or removal of the Company's External Auditor(s).
- Review the independence and performance of External Auditors and recommend retaining or discharging External Auditors as circumstances deem necessary.
- Establish policies and procedures, as the Committee deems appropriate, pertaining to relationship with the External Auditors, including clear hiring policies for employees and former employees of External Auditors.
- Recommend the External Auditors' engagement terms and fees for annual audit services.
- On at least an annual basis, review a formal, written statement from External Auditors on such matters as prescribed by law or exchange requirements, including all relationships between the Auditors and the Company or its management.
- Discuss and determine with External Auditors all significant relationships they have with the Company and their impact on the Auditors' objectivity and independence, including non-audit services and the fees proposed and charged.
- Consider External Auditors' judgment about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

6.3 Internal Audit

- Monitor and review the effectiveness and independence of the Company's internal audit function.
- Support the CEO's recommendation to appoint or remove the Head of Internal Audit.
- Consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

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- Review and assess the annual internal audit plan and budget.
- Review the quarterly summary of Internal Auditor's activity and any urgent reports on the Company.
- Review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor.
- Review with the Company's corporate governance department and/or, legal department any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations (in coordination with other committees), and inquiries received from regulators or governmental agencies.

6.4 Internal Control and Risk Management Systems

- Monitor and regularly review the effectiveness of the Company's internal control function and risk management systems.
- Review and assess the annual internal control plan, findings and recommendations.
- Review and assess the annual risk map and its related mitigation plans.

6.5 Whistle-blowing and Fraud

- The Committee shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up actions.
- The Chairman of the Audit Committee will be informed immediately of any event of:
 - Fraud involving an Officer or Director regardless of materiality.
 - An instance of fraud that is considered material to the financial statements (above EGP 250K).
- A semi-annual report summarizing the incidents of internal and external fraud to be submitted to the Audit Committee.

6.6 Related Parties Transactions

- The Committee shall assist the Board in assessing and reviewing related party transactions and shall review such transaction and recommend to the Board to approve and/or reject them, in accordance with applicable laws and internal procedure.:-
- The Committee shall be responsible for reviewing, evaluating and submitting its recommendation to the Board based on the relevant details and analysis submitted by the Company Management.
- The Chairman of the Committee shall be responsible to communicate the Committee recommendations to the Board.

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7. Decision-making process

- All recommendation from the Committee shall be reached by the majority of those members present at the Committee's meetings and in the event of the equality of votes, the Chairman of the Committee shall have a casting vote.

8. Reporting Responsibilities

- The Committee shall have the duty and responsibility to report its activities to the Board. Annual and periodic formal reports of the Committee activities are an important communication link between the Committee and the Board on key decisions and significant findings within its authorities.

9. Charter Review

- The Committee shall, annually or as necessary, review and assess the adequacy of this charter and submit any proposed changes to the Board for approval.
- The Committee shall perform any other activities consistent with this Charter; the Company's by-laws and applicable laws, regulations and rules.