



---

# BOARD AUDIT COMMITTEE CHARTER

---



1.1

Centum Group Legal Department

July 2018

CENTUM INVESTMENT COMPANY PLC

Board Audit Committee Charter

TABLE OF CONTENTS

1	PURPOSE.....	2
3	RESPONSIBILITIES.....	2
4	MEETINGS .....	4
5	QUORUM .....	5
6	VOTING .....	5
7	PROCEEDINGS OF THE COMMITTEE .....	5
8	REVISION OF THE CHARTER .....	5
	APPROVED BY THE BOARD OF DIRECTORS.....	5

CENTUM INVESTMENT COMPANY PLC (THE "COMPANY")

AUDIT COMMITTEE (THE "COMMITTEE")

CHARTER

1. PURPOSE

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Company's process for monitoring compliance with laws and regulations.

2. AUTHORITY

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- i. Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- ii. Resolve any disagreements between management and the external auditor regarding financial reporting.
- iii. Retain independent counsel, accountants, and other professionals to advise the Committee or assist in the conduct of an investigation.
- iv. Seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests, or external parties.
- v. Meet with the Company's officers, external auditors or external counsel as necessary.

3. RESPONSIBILITIES

The Committee will carry out the following responsibilities for the Company and major subsidiary undertakings that do not have their independent Audit Committees:

a. Financial Statements

- i. Review significant accounting and reporting issues, recent professional and regulatory pronouncements and understand their impact on the financial statements.
- ii. Review the annual financial statements, consider whether they are complete, consistent with information known to Committee members and reflect appropriate accounting principles.
- iii. Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards and the results of the audit, including any difficulties encountered.
- iv. Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

## Board Audit Committee Charter

- v. Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
- b. Internal Control
  - i. Consider the effectiveness of the Company's internal control systems, including information technology security and control.
  - ii. Understand the scope of internal and external auditors' review over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.
- c. Internal Audit
  - i. Approve the internal audit charter.
  - ii. Be consulted in decisions regarding the appointment, removal of the Head of Internal Audit and ensure there are no unjustified restrictions or limitations in its function.
  - iii. Approve the annual audit plan and all major changes to the plan as well as the internal audit activity's performance relative to its plan.
  - iv. Review with the Head of Internal Audit the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
  - v. Review the effectiveness of the internal audit function, including conformance with the code of ethics and applicable standards.
  - vi. On a regular basis, meet separately with the Head of Internal Audit to discuss any matters that the Committee believes should be discussed privately.
- d. External Audit
  - i. Review the external auditors' proposed audit scope and approach, including coordination of external audit with internal audit.
  - ii. Review the performance and remuneration of the external auditors, make recommendations to the Board for approval of the appointment or discharge of the external auditors by the shareholders.
  - iii. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
  - iv. On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.
- e. Compliance
  - i. Obtain regular updates from management and company legal counsel regarding compliance matters.
- f. Reporting Responsibilities
  - i. Regularly report to the Board of Directors about the Committee's activities, issues and related recommendations.

## Board Audit Committee Charter

- ii. Provide an open avenue of communication between internal audit, the external auditors, and the Board of Directors.
  - iii. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law.
  - iv. Review any other reports the Company issues that relate to Committee's responsibilities.
- g. Corporate Governance Responsibilities
  - i. Set out the corporate governance responsibilities that are appropriate for the nature and scope of the Company's business.
  - ii. Establish policies and strategies for achieving the Company's Corporate Governance Responsibilities;
  - iii. Annually assess the extent to which the Company has observed its Corporate Governance policies and strategies.
- h. Other Responsibilities
  - i. Oversee Governance Audit
  - ii. Oversee Environmental, Social and Governance (ESG) Audit.
  - iii. Perform other activities related to this Charter as requested by the Board of Directors.
  - iv. Institute and oversee special investigations as needed.
  - v. Review and assess the adequacy of the Committee Charter annually, request Board approval for proposed changes, and ensure appropriate disclosure as may be required by laws or regulations.
  - vi. Confirm annually that all responsibilities outlined in this Charter have been carried out.
  - vii. Evaluate the Committee's and individual members' performance on a regular basis.
  - viii. Approve the ESG Audit Plan.

## **4. MEETINGS**

- a. Meetings of the Committee will be held as frequently as the Committee considers appropriate, but not less than four times a year.
- b. The Chairperson or any member of the Committee may call further special meetings.
- c. Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and any other executives invited to attend the committee meetings including the Chairperson, the Chief Executive, the Chief Finance Officer and the Head of Internal Audit. The Chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

Board Audit Committee Charter

**5. QUORUM**

- a. The quorum for meetings of the Committee shall be any three (3) members of the Committee present throughout the meeting of the Committee.
- b. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**6. VOTING**

- a. Where the Chairperson calls upon Members to vote on any issue, decisions will be made by simple majority.
- b. In the event of a tie, the Chairperson shall exercise a casting vote to determine the outcome.
- c. Only Committee Members shall be entitled to vote at meetings of the Committee.

**7. PROCEEDINGS OF THE COMMITTEE**

- a. Meetings and proceedings of the Committee shall be governed by the Company's Articles of Association and applicable laws and regulations regulating the meetings and proceedings of the Board and committees.
- b. The Company Secretary or a representative appointed by the Company Secretary shall take minutes of meetings. These shall be reviewed and approved by the members of the Committee at a subsequent meeting.
- c. The minutes of all meetings of Committee, or summaries thereof, shall be submitted to the Board at a subsequent Board meeting. The Chairperson shall be entitled to an opportunity to report orally or in writing at any meeting of the Board on any matters of importance as well as on the Committee's findings and shall recommend actions.

**8. Revision of the Charter**

This Charter shall be subject to review by the Board at any time.

Approved by the Board of Directors

Signed:

Board Audit Committee Charter

Date: 22<sup>ND</sup> November, 2018

Chairman: 