

## **AUDIT, RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE**

### **1. Purpose**

The Audit, Risk Management and Corporate Governance Committee (hereinafter referred to as ‘the Committee’) assists the Board of Directors in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices, quality and integrity of financial reports, compliance, internal controls, risk management and business ethics.

The Committee assists the Board in fulfilling its responsibility with respect to:

- (i) safeguarding of assets;
- (ii) operation of adequate systems & control processes;
- (iii) the oversight of the Company’s financial statements and financial reporting process and systems of internal accounting and financial controls;
- (iv) statements in compliance with all applicable legal requirements and accounting standards;
- (v) the performance of internal audit function; and
- (vi) the engagement of the Company’s external auditors and the evaluation of the external auditors’ qualifications, independence and performance.

### **2. Membership**

2.1 The Committee shall comprise four (4) directors appointed by the Board

2.2 The Board shall appoint a Chairperson of the Committee.

2.3 The Chairperson of the Board, the Chief Executive Officer, Chief Operations Officer, the Chief Finance Officer and any executive director shall not be eligible to be appointed as Chairperson or member of the Committee.

2.4 The Board shall satisfy itself that the Chairperson of the Committee or at least one member of the Committee has relevant financial experience ideally a professional qualification from one of the professional accountancy bodies.

2.5 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

2.6 Only members of the Committee have the right to attend Committee meetings.

However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.

**3. Secretary**

3.1 The Company Secretary shall act as the Secretary of the Committee.

**4. Quorum**

4.1 The quorum necessary for the transaction of business shall be a majority of members.

**5. Frequency of meetings**

5.1 The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

**6. Notice of meetings**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairperson or any of its members or at the request of the External Auditor or Internal Auditor or Risk Officer if they consider it necessary.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to Committee members and any other attendees before the date of the meeting

**7. Minutes of meetings**

7.1 The Secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance. The minutes of proceedings shall be signed and circulated to all members within two working days.

**8. Written Resolutions**

8.1 Decisions may also be taken by way of written resolutions signed by all members of the committee.

**9. Terms of Reference**

The Committee shall fulfill its duties and responsibilities as follows:

9.1 Financial Statements

9.1.1 The Committee will examine and review the quality and integrity of the financial statements of the Company including its annual report.

9.1.2 The Committee shall consider and recommend dividend payment to the Board.

9.1.3 In particular, the Committee shall review and challenge where necessary:-

- Compliance with International Financial Reporting standards and legal requirements;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the External Auditor;
- The clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management; and
- The basis on which the Company has been determined a going concern.

## 9.2 Internal Controls and Risk Management Systems

The Committee shall:

- 9.2.1 keep under the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems.
- 9.2.2 Support the Risk Officer by understanding key risks the organization has assumed and overseeing the management of these risks.
- 9.2.3 Review the risk philosophy, strategy and policies recommended and consider reports.
- 9.2.4 Ensure compliance with such policies and with the overall risk profile.
- 9.2.5 Review the management of current and emerging risks.
- 9.2.6 Provide guidance on areas of focus.
- 9.2.7 Propose risk appetites and risk limits for key risks to the Board of Directors.
- 9.2.8 Focus on risk identification, measurement, monitoring and management processes.
- 9.2.9 Ensure appropriate methodologies and systems are in place to identify and adequately assess and manage operational risks.
- 9.2.10 Monitor insurance experience relative to valuation assumptions and projections.

### 9.3 Whistle blowing and Fraud

9.3.1 Review the Company's procedures for detecting Fraud.

9.3.2 Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.

### 9.4 Compliance

The Committee shall:

9.4.1 Review the annual compliance work plan and other reports from the Compliance function.

9.4.2 Keep under review the adequacy and effectiveness of the Company's compliance function.

### 9.5 Internal Audit

The Committee shall:

9.5.1 Ensure the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson and is accountable to the Committee.

9.5.2 Review and assess the annual internal audit work plan.

9.5.3 Receive a report on the results of the internal auditor's work on a periodic basis.

9.5.4 Review and monitor management's responsiveness to the Internal Auditor's findings and recommendations.

9.5.5 Monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system.

### 9.6 External Audit

The Committee shall:

9.6.1 Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor.

9.6.2 Ensure that at least once every five years the audit services contract is put out to tender.

9.6.3 Oversee the relationship with the External Auditor including (but not limited to):

➤ Recommendations on their remuneration, including both fees for audit and non- audit services.

➤ Approval of their terms and engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

9.6.4 Meet with the external auditor as and when required and at least once a year without management being present to discuss the auditor's remit and any issues arising from the audit.

- 9.6.5 Review and approve the annual audit plan
- 9.6.6 Review the findings of the audit with the External Auditor.
- 9.6.7 Review any representation letter(s) and other documents requested by the External auditor.
- 9.6.8 Review the management letter and management's response to the Auditor's findings and recommendations.

#### 9.7 Corporate Governance Matters

The Committee shall also carry out the following duties:-

- 9.7.1 Oversee the implementation of the corporate governance framework.
- 9.7.2 Periodically review and evaluate the effectiveness of the Company's Code of Conduct and Ethics.
- 9.7.3 Review the position descriptions of the Chairperson, and Board Committee chairs and recommend any amendment to the Board
- 9.7.4 Review annually with the Board the size and composition of the board as a whole

### **10. Reporting responsibilities**

- 10.1 The Committee shall make recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

### **11. Other matters**

The Committee shall:

- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required.
- 11.2 Work and liaise as necessary with all other Board Committees.
- 11.3 Arrange for periodic reviews of its own performance and, as when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **12. Authority**

- 12.1 The Committee is authorized by the Board to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

**13. Remuneration**

- 13.1 The Chairperson and Members of the Committee shall be paid such fees in respect of their appointment as shall be fixed by the Board. Such fees shall be in addition to the monthly fees payable to the directors of the Board having regards for the functions performed by the members of the Committee in addition to their functions as directors.

**Reviewed and approved by the Board on 21 September 2022**