



## **AUDIT COMMITTEE CHARTER**

## **1. CONSTITUTION**

- 1.1 In line with the requirements of the National Code of Corporate Governance for Mauritius 2016 and the UK Corporate Governance Code, the Audit Committee (“the Committee”) has been established by the Board of directors (“the Board”) of the Company to act as the Audit Committee of the Company and its subsidiaries (“the Group”) and thereby to assist the Board with regards to matters set out below.
- 1.2 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 1.3 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company, except with respect to the appointment, fees and terms of engagement of the auditors of the Company.
- 1.4 Any reference in this Committee Charter (“the Charter”) to “the Group” is to be interpreted to include any Company or companies within the Group and not necessarily to refer only the Group as a whole. Accordingly, this Committee Charter shall be applicable to Grit, and also to any company or companies within the Grit group of Companies, as the Investment Committee may deem appropriate.

## **2. PURPOSE**

The purpose of these terms of reference is to set out the Committee’s roles and responsibilities as well as the requirements for its composition and meeting procedures.

## **3. ROLE**

The Committee will have an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee will not assume the functions of management, which remain the responsibility of the executive directors, officers, and other members of senior management.

The Committee is established to:

- i. Assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, internal controls and control processes and the preparation of accurate financial reporting and statements in compliance with the International Financial Reporting Standards, legal requirements and corporate governance;
- ii. Oversee integrated reporting under the Code of Corporate Governance for Mauritius and the

- UK Corporate Governance Code;
- iii. Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and reviewing significant financial reporting judgements contained in them;
  - iv. Providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
  - v. Oversee the management of financial and other risks that affect the integrity of external reports issued by the Company;
  - vi. Ensure the combined assurance model is applied to provide a co-ordinated approach to all assurance activities;
  - vii. Ensure the Company's compliance with legal and regulatory provisions, its Constitution, code of conduct and the rules established by the Board;
  - viii. Provide a forum for communication between the Board, management and the external and internal auditors;
  - ix. Recommend such measures as in its option may serve to enhance the reliability, integrity, objectivity and fair presentation of financial statements and the affairs of the Company;
  - x. Analyse the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;
  - xi. Analyse the nature and extent of non-audit services provided by the external auditors, where applicable;
  - xii. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval; and
  - xiii. Annually review its own performance and report its findings to the Board for review.

#### **4. DUTIES AND RESPONSIBILITIES**

##### **4.1 Duties**

- i. Nominate, for appointment as auditors of the Company, a registered auditor, who, in the opinion of the Committee, is independent of the Company;
- ii. Determine the fees to be paid to the auditors and the auditor's terms of engagement;
- iii. Ensure that the appointment of the auditor complied with the provision of the Mauritius Companies Act 2001 (the "Act") and any other legislation or stock exchange requirements in Mauritius and London Stock Exchanges relating to the appointment of auditors;
- iv. Determine, the nature and extent of any non-audit services that the auditor may provide to the Company, or that the auditor must not provide to the Company or a related Company;
- v. Pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Company that fall outside of the pre- approval given by the Committee to Management;

- vi. Prepare a report, to be included in the annual financial statements of the Company for the relevant financial year;
- vii. Receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative; and
- viii. Make submissions to the Board on any matter concerning the Company's accounting policies, financial control, records and reporting.

#### 4.2 *Other Duties*

##### *External auditors, audit process and financial reporting*

- i. Annually review the independence, objectivity and effectiveness of the external auditors;
- ii. Consider and set, if appropriate and subject to relevant legislative requirements, mandatory term limits on the length of time the external auditors or audit partner may serve the Company and ensure a managed rotation process in respect of the audit partner after every five years;
- iii. Discuss with the external auditor before the annual audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- iv. Review and comment on all financial reporting, including the interim and annual financial statements before submission to the Board, focusing particularly on:
  - Any change in accounting policies and practices;
  - Major judgmental areas;
  - Significant adjustments resulting from the audit;
  - The going concern statement;
  - Compliance with accounting standards;
  - Compliance with stock exchange and statutory requirements; and
  - Reliability and accuracy of the financial information provided to management and other users of financial information.
- v. Discuss problems and reservations arising from the interim and final results, any matters incidental thereto which the external auditors may wish to discuss (in the absence of management where necessary);
- vi. Review the quality and effectiveness of the external audit process as well as any accounting or auditing concerns identified as a result of the internal or external audits;
- vii. Review the external auditor's management letter and management's response, if available, and/or to consider the matters to be dealt with therein; and
- viii. Review the Company's statement on internal control systems prior to endorsement by the Board:
  - Having satisfied itself with the correctness of the annual financial statements (or summarised financial information) and quarterly reports (if applicable) after having consulted the management and, where necessary, sought audit advice or other assistance, recommend the annual financial statements and quarterly reports (if applicable) to the Board for approval; and

- Consider whether the external auditor should perform assurance procedures on interim results and make a recommendation to the Board in this respect.

#### *Internal Audit*

- (i) Approve the structure of the internal audit function as proposed by management;
- (ii) Approve the appointment of an outside service provider as internal auditor or a Head of Internal Audit;
- (iii) Approve the dismissal of the internal auditor or Head of Internal Audit;
- (iv) Annually review the performance and objectivity of the internal auditor or Head of Internal Audit and subject the internal audit function to an independent quality review as and when deemed necessary by the Committee;
- (v) Approve the internal audit Charter, on behalf of the Board, and the internal audit plan and fees as well as the resources required;
- (vi) Review the functioning of the internal audit programme and department, if any, ensure co-ordination between the internal and external auditors, and ensure that any internal audit function is adequately resourced and has appropriate standing within the Company;
- (vii) Receive and review the internal audit report at each meeting of the Committee as well as the annual assessment of the internal financial controls; and
- (viii) Consider the major findings of internal investigations and management's response.

#### *Integrated reporting and assurance model*

- i. Oversee integrated reporting, having regard to all factors that may impact on the integrity of the integrated report, and recommending the integrated report to the Board for approval;
- ii. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- iii. Review the Company's internal and external assurance model and recommend to the Board the engagement of an external assurance provider on material sustainability issues where deemed necessary;
- iv. Monitor the relationship between the Company and the external assurance providers; and
- v. Annually review the expertise, resources and experience of the Company's financial director and finance function and disclose the results of the review in the integrated report.

#### *General*

- i. Review the Group's strategic plan and strategic management process;
- ii. Meet at least annually with the external auditor and full Board without the executives being present;
- iii. Periodically review and update the Charter, preferably annually, or as conditions dictate;
- iv. Give due consideration to the relevant provisions of the Act, the listing requirements of the

SEM and the LSE and the code of governance principles as contained in the Code of Corporate Governance for Mauritius and The UK Corporate Governance Code;

- v. Retain a copy of this Charter of the Committee at the registered office of the Company and provide shareholders with a copy of same if requested;
- vi. Include a report in the annual financial statements describing how the Committee carried out its functions, stating whether it is satisfied that the external auditors are independent of the Company, presenting the Committee's views on the financial statements and the accounting practices and stating whether the internal financial controls are effective;
- vii. In addition to the above report, include a report in the integrated report summarising its role and providing details of its composition, number of meetings and activities;
- viii. Receive and deal with any internal or external complaint relating to either accounting practices and internal audit of the Company or to the content or auditing of the financial statements or to any related matter;
- ix. Fulfil all of the abovementioned functions in respect of the Company and all of its subsidiaries and related entities, where appropriate; and
- x. Consider such other topics and fulfil such other duties as defined by the Board.

## **5. POWERS & AUTHORITY**

The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment. The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in this Charter.

The Board has an oversight responsibility and the Committee assist the Board in fulfilling this responsibility.

In order to enable the Board to fulfil its functions, the Committee has unrestricted access to internal and external auditors as well as access to all information, including records, property and employees of the Group, and must be provided with adequate resources in order to fulfil its responsibilities.

The Committee is authorised by the Board to:

- i. Investigate any activities within its terms of reference;
- ii. Seek outside legal or other independent professional advice;
- iii. Secure the attendance of outsiders with the relevant experience and expertise where necessary at the Company's expense;
- iv. Seek any information it requires from any employee, the chairman of other Board Committees, any of the executive directors, Company Officers, Company Secretary or assurance providers, and all these parties are required to co-operate with any requests made by the Committee; and
- v. the Committee will be accountable and report to the Board.

The Committee, in the fulfilment of its duties, may call upon the chairmen of the other Board committees, any of the executive directors, officers or Company Secretary to provide it with information, subject to following a Board approved process.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee shall make the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

## **6. MEMBERSHIP**

### *6.1 Composition*

- i. The members of the Company must appoint at least three members of the Audit Committee from a list of suitable candidates provided by the Nomination Committee, all of whom must be independent non-executive directors;
- ii. The Board has the authority to appoint member of the Committee to fill a casual vacancy from a list of suitable candidates provided by the Nomination Committee;
- iii. The Chairman of the Committee shall be appointed by the Board and shall be one of the members of the Committee as appointed by the members of the Company at the Annual General Meeting (“AGM”);
- iv. One member of the Company’s Risk Committee shall also be a member of the Audit Committee;
- v. The Chairman of the Board shall not be a member of the Committee;
- vi. The Chairman of the Committee shall be required to attend the Company’s AGM to answer relevant questions posed by the shareholders;
- vii. The Chief Executive Officer should not be a member of the Audit Committee;
- viii. All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee; and
- ix. The Chairman of the Audit Committee should have recent and relevant accounting or financial experience.

### *6.2 Appointment*

- i. The Board shall appoint the members of the Committee and fill any vacancy as and when required.
- ii. Unless the Board appoints a Chairman (who shall not be the Chairman of the Board), the members of the Committee may appoint a Chairman by majority vote on the full Committee membership. In the absence of the Committee Chairman,

the remaining members present shall elect one of themselves to chair the meeting, who would qualify under this Charter to be appointed to that position by the Board.

- iii. The Chairman of the Nomination Committee shall be required to attend the Company's Annual General Meeting ("AGM") to answer relevant questions posed by Shareholders.

### 6.3 *Duration of membership*

Members of the Committee shall be appointed until the next AGM following their appointment.

### 6.4 *Termination*

The Board may terminate membership of any person serving on the Committee on recommendation of Committee or on recommendation of the Nomination Committee.

## **7. MEETINGS**

### 7.1 *Frequency of Meetings*

- i. The Committee will meet at least three times a year, or more frequently as circumstances dictate;
- ii. Meetings should be held prior to Board meetings and correspondence with major phases of the financial reporting, external audit and internal audit cycles;
- iii. Meetings in addition to those scheduled may, with approval of the Chairman of the Committee, be held at the request of the external auditors, the Chief Executive Officer, Chief Financial Officer or a director at the instance of the Board; and
- iv. As part of its responsibilities to foster open communication, the Committee will meet at least annually with the Chief Executive Officer, the Head of the Internal Audit Department and/or outsourced internal audit function and the external auditors in separate meetings to discuss matters that the Committee or any of these groups believe should be discussed privately.

### 7.2 *Attendance*

- i. The Committee (via the Committee Chairman) may invite people knowledgeable in Committee related matters to attend meetings and to act in an advisory capacity, or any other party who may contribute to its deliberations such as the Chairman of the Board and the CEO. A senior representative of the Company's external auditor, the Chief Executive Officer and Financial Director and any other senior management member may be invited to attend Committee meetings;



- ii. The Committee may, if deemed appropriate, confer by telephone, closed circuit television or video conferencing. The provisions of the Charter relating to the proceedings of members apply so far as they are capable of application of mutatis mutandis to such conference;
- iii. Other Board members shall have the right of attendance with the prior consent of the Chairman of the Committee;
- iv. The Company Secretary or the Group Corporate Secretary of the Company will be the secretary to this Committee (“Secretary”);
- v. Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or Secretary; and
- vi. If the nominated Chairman of the Committee is absent from a meeting, the members present shall elect one of the members present to act as Chairman.

### *7.3 Notice and Agenda*

- i. The Company Secretary in consultation and agreement with the Chairman of the Committee shall draft the agenda, which shall be circulated with supporting documentation, preferably 5 business days prior to each meeting to the members of the Committee, and where applicable to the external auditors the Chief Executive Officer and Financial Director;
- ii. The Committee must establish an annual work plan for each year to ensure that all relevant matter are covered by the agendas of the meetings planned for the year;
- iii. The annual work plan must ensure proper coverage of the matters laid out in this Charter; and
- iv. Committee members must be fully prepared for the meetings, to provide appropriate and constructive input on matters to be discussed.

### *7.4 Minutes, written resolutions and reporting procedure*

- i. The Company Secretary shall attend and minute all meetings; The minutes of the Committee meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee;
- ii. The minutes must be formally approved by the Committee at its next scheduled meeting;
- iii. The Secretary shall incorporate the approved minutes of the meeting of the Committee in the meeting files prepared for meetings of the Board for noting purposes;
- iv. In addition to the above, the Chairman of the Committee will provide verbal feedback at the meetings of the Board of directors on the Committee’s recent activities; and
- v. A resolution in writing signed by a majority of the members of the Committee at the time when such resolution is released for signature, shall be as valid and effectual as if it has been

passed at a duly constituted meetings of the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

#### *7.5 Quorum*

A quorum for meeting of the Committee shall be a majority of members present in person or via telecommunication facilities.

#### *7.6 Attendees*

For the purpose of the Committee meetings, the Chairman shall agree to the attendance of key personnel of the Group to report on matters as set out in this Charter.

### **8. MEMBER SKILLS AND TRAINING**

The Committee's effectiveness in performing its duties depends on its members' knowledge and competence in business matters, financial reporting, internal controls and auditing.

At least one-third of the Committee members must have some academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs and human resource management. In addition to this, the members of the Committee must have sufficient experience and expertise required to perform their functions as set out in this Charter.

New members should receive an orientation that allows them to function effectively from their date of commencement.

In exercising its duties, the Committee will be permitted to consult with specialists or consultants subject to prior Board approval.

Opportunities for continuous education and training on technical issues should be actively pursued by each member.

All Committee members will be required to keep up to date on developments affecting the areas of responsibility of the Committee.

### **9. REMUNERATION**

Having regard for the functions performed by the members of the Committee in addition to their functions as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the shareholders and the Memorandum of Incorporation of

the Company, the Chairman and members of the Committee shall be paid in accordance with the remuneration levels approved by the shareholders at an AGM of the Company.

## **10. EVALUATION**

The Committee shall annually conduct self-assessment or self-evaluation. The Committee Chairman shall assess the performance of individual Committee members, and the Board shall evaluate the Committee's Chairman, based on several factors. These include:

- i. Expertise;
- ii. Inquiring attitude, objectivity, and independence;
- iii. Judgement;
- iv. Understanding of the Group's business;
- v. Understanding of and commitment to the Committee's duties and responsibilities;
- vi. Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- vii. Timely responses; and
- viii. Attendance at meetings.

Input from management and internal and external auditors should form part of the Committee evaluation.

After completing its evaluation, the Committee should review the results with the Board of directors, so that where necessary, appropriate action can be taken on any recommendations resulting from the review.

## **11. REVIEW OF CHARTER**

The Committee shall, at least annually, review its composition and this Charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

## **12. GENERAL**

The Committee in carrying out its tasks under these terms of reference, may obtain outside or other independent professional advice as it considers necessary, to carry out its duties.

The Committee members are obliged to disclose in writing any interests they have within or outside the Company and the Group that may interfere or conflict with the performance of their duties.

All Company related information that becomes known to directors in their performance of their



duties must at all times be kept confidential.

This Charter may from time to time be amended by the Board, as and when required, and will be reviewed at least once a year.

This Charter is approved by the Board of directors on XXX and signed on their behalf by:

xxx  
Signed by Peter Todd  
Chairman – Board

xxx  
Signed by Catherine McIlraith  
Chairman - Audit Committee