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# Audit Committee Charter

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## MeritWise Group Public Ltd

*(Company Registration Number. 157715)*

*(Incorporated in the Republic of Mauritius on 18 July 2018)*

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## 1. INTRODUCTION

The purpose of the Audit Committee is to assist the Board with its oversight responsibilities regarding the integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements; the independent auditor's qualifications and independence; and the performance of the Company's internal audit function and independent auditor.

## 2. COMPOSITION OF THE COMMITTEE

The committee shall comprise of not less than 3 non-executive directors appointed by the Board, at least two of whom shall be independent non-executive directors. Members of the committee shall be appointed by the Board in consultation with the Chairperson of the Audit Committee.

At least one Committee member must be a financial expert, meaning he/she has expertise in financial administration and accounting for companies similar to the organisation in size and sophistication.

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.

Other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

## 3. SECRETARY

The Secretary of the Board, or his or her nominee, shall act as the Secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## 4. MEETINGS

### Quorum

The quorum necessary for the transaction of business shall be at least three members, two of whom must be an independent director.

### Chairperson

The Chairperson of the Audit Committee shall chair the committee meeting. In case of his absence, he can designate an alternate. Where no alternate has been designated, the remaining members of the committee can elect a chairperson for that particular meeting.

### Frequency of meetings

The committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

### Notice of Meetings

Meetings of the committee shall be convened by the Secretary of the committee at the request of any of its members. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each

member of the committee, any other person required to attend, no later than 21 working days before the date of the meeting.

#### **Minute of Meetings**

The Secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.

#### **Annual General Meeting**

The committee Chairperson shall attend the annual general meeting to answer shareholder questions on the committee's activities.

### **5. ROLES AND RESPONSIBILITIES OF THE COMMITTEE**

The Committee is established to 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.

The roles and responsibilities of the Committee are as follows:

#### **Auditors and Audit**

- 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;
- Ensure the Company's compliance with legal and regulatory provisions, its Constitution, and any other statutory document;
- Review the quality and integrity of the financial statements including its annual and half-yearly reports, interim reports and any other formal announcement relating to the organisation's financial performance. Any changes in accounting principles, the nature and extent of any significant changes in accounting principles or the application therein should also be reviewed;
- Review 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;
- Where the committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board;
- Provide sufficient opportunity for the internal and independent auditors to meet with the members of the audit committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the corporation's financial, accounting, and auditing personnel, and the cooperation that the independent auditors received during the course of the audit;

- 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;
- Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- Evaluate the independence and effectiveness of the external auditor and assess whether any non-audit services rendered by the auditors significantly impair their independence;
- Develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.
- The committee shall review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the Company's performance, business model and strategy;
- Consider 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 5 (five) years and audit firm after every 7 (years); and
- If an auditor resigns, investigate the issues leading to this and decide whether any action is required.

### **Risk Management**

- Review Board/management's overall risk management framework and implementation strategy and advise Board of any concerns regarding the appropriate resourcing of the required actions as and when required or at least on an annual basis;
- Review whether the Board has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- Assess the internal processes for determining and managing material operating risks in accordance with the Board's identified tolerance for risk;
- Monitor processes for management's identification and control of material risks, including business, financial and legal compliance risks. This might include oversight of the risk management framework and activities conducted by internal and external audit and any other assurance providers to give assurance over that framework;
- Review the Company's procedures for detecting fraud;
- Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance; and
- Monitor the implementation of the organisation's Code of ethics.

## 6. GENERAL

The committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;

Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors;

The Committee shall have access to outside or other independent professional advice as it considers necessary to carry out its duties and to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

The members of the Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

The members of the Committee shall work and liaise as necessary with all other Board committees;

The members of the Committee shall arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board;

The Committee members are obliged to disclose in writing any interests they have within or outside the Company 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; and

This charter shall be made available on the organisations's website.

This charter is approved by the board of directors on 25 June 2019.