



Audit Committee Charter

Dated: March 2018 (*next review: February 2019*)

Version: 1.0

Owner: CIM Finance - Board Committee



1. PURPOSE

The Audit Committee (“the Committee”) is a sub-committee of the Board of Directors (“the Board”) of CIM Finance Ltd (“CF”, “the organisation”). Its purpose is to assist the Board in fulfilling its oversight responsibilities by:

- » Setting and overseeing the overall standard for financial reporting and internal controls;
- » Reviewing and assessing the quality of work done by the professionals responsible for financial reporting and internal control, if any;
- » Engaging in discussions with external and internal auditors on the quality and acceptability of the control environment and reporting structures.

The Committee will fulfil these responsibilities by primarily carrying out the activities described in the section 5 below. These responsibilities may be amended as required, subject to the approval of the Board.

2. AUTHORITY

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

- » Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organisation.
- » Resolve any disagreements between management and the auditor regarding financial reporting.
- » Pre-approve all auditing and non-audit services.
- » Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- » Seek any information it requires from employees-all of whom are directed to cooperate with the Committee's requests-or external parties.
- » Meet with company officers, external auditors, or outside counsel, as necessary.

3. COMPOSITION

The Board shall elect the members of the Committee, which shall comprise of at least three and no more than six members of the board of directors. Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

The Board will, as far as practical, review the composition of the Committee and make any changes it deems necessary.

The Company Secretary shall act as Secretary for the Committee.

Permanent invitees will include the Managing Director, the Head of Finance, the Head of Internal Audit and the Engagement Partner of the appointed external audit firm. The Committee chairperson may request other persons to attend the committee meetings if and when required.

4. MEETINGS

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require.

Meetings should be organised so that attendance is maximised. The notice of each meeting, confirming the venue, time and date, and enclosing the agenda of items to be discussed, will, other than under exceptional circumstances, be forwarded to each member of the Committee not less than 5 working days prior to the date of the meeting. 2 members shall consist of a quorum.

All committee members are expected to attend each meeting, in person or via tele- or video-conference. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

Minutes will be prepared by the Company Secretary. These should be circulated to all members of the Committee, and to other members of the Board. Minutes shall be tabled at the subsequent Board Meeting. Significant risks and internal control breakdowns shall be reported to the Management Committees of CF.

5. RESPONSIBILITIES

The committee will carry out the following responsibilities:

Financial Statements

- » Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- » Review with management and the external auditors the results of the audit, including any difficulties encountered.
- » Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- » Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- » Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- » Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- » 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.

Internal Control

- » Consider the effectiveness of the organisation's internal control system, including information technology security and control.
- » Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- » Approve the internal audit charter.
- » Approve decisions regarding the appointment and removal of the Head of Internal Audit. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Head of Internal Audit.

- Approve the annual audit plan and all major changes to the plan. Review the internal audit activity's performance relative to its plan.
- Review with the Head of Internal Audit the internal audit budget, resource plan, activities, and organisational structure of the internal audit function.
- At least once per year, review the performance of the Head of Internal Audit and concur with the annual compensation and salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the Head of Internal Audit to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, vet the appointment of the external auditors and seek final approval from the Board on the appointment or discharge of the auditors.
- 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.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Reporting Responsibilities

- Regularly report to the Board about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the organisation issues that relate to committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.
- Comply with any reporting requirements to regulators and the chairperson should attend the Trilateral meeting with the Bank of Mauritius once per year.

6. REVIEW

This Audit Committee charter shall be reviewed and approved by the Board on an annual basis.

Approved this 10th day of May, 2018.

Head of Internal Auditor

Chairman of the Audit Committee

Chief Executive Officer