

AUDIT COMMITTEE CHARTER

VERSION AND BOARD APPROVAL DATE



Version	Date of Approval	Approved by	Chairman
AC.01.2021			

Afri Life Insurance Ltd.

4, Labourdonnais Avenue, Quatre Bornes, Mauritius - 72350

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BRN No: CI0097103 FSC Licence No: IS10000010 and PS16000071

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1. Purpose

The primary role of the Audit Committee (here after referred to as “The Committee”) is to assist the Board of Directors in fulfilling its corporate governance oversight responsibilities related to

- ❖ Financial Reporting Practices,
- ❖ Quality and Integrity of financial reports,
- ❖ External audit functions
- ❖ Effectiveness of Internal Control
- ❖ Internal Audit Function
- ❖ Remuneration of External Auditors

2. Composition

- ❖ The Committee will be comprised of at least three (3) non-executive directors, with all the directors being independent directors. The Board will appoint the Chairperson of the Committee.
- ❖ The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution.
- ❖ Members of Management must not be appointed members of the Committee. Non-committee members, including the external auditor and representatives of the external auditor and other advisors, may attend meetings of the Committee at the invitation of the Committee Chairperson, who will have regard to potential conflicts of interest when making invitations. The invitation to attend Committee meetings may be a standing invitation. The CEO, or any other attendee, may not participate in deliberations of the Committee where the matter could affect his or her position or where he or she has a personal interest in the matter.

Members of the Committee should preferably have a financial background and be conversant with both International Auditing Standards and International Financial Reporting Standards.

- ❖ The members of the Committee will between them have sufficient knowledge, expertise and understanding of the Company’s industry to be able to discharge the Committee’s responsibilities effectively.
- ❖ The current members of the Committee are Mr. Deepak Netto (Chairperson), Mr. Sansjiv C. Nuckchady, Ms. Tanuja Nair and Ms Payal Jhaveri
- ❖ If a member ceases to be a Director of The Board, that member ceases to be a member of the Committee.

3. Administrative Matters

3.1 Meetings

- ❖ The Committee shall meet at least twice annually. Committee may meet as often the members deem necessary in order to fulfil their role.
- ❖ The Committee shall meet the External Auditor, at least once a year in the absence of Management to discuss any matters that the Committee or the auditors believe should be discussed in confidence.

3.2 Quorum

- ❖ The quorum necessary for the transaction of business shall be three.
- ❖ In the absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting
- ❖ Members of the Committee may attend in person or participate by tele-conference or other electronic means.

3.3 Company Secretary

The Company Secretary or a nominee of the Company Secretary 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 the issues.

3.4 Notice of Meetings

- ❖ Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson, after approval of the agenda.
- ❖ Notice of the meetings shall be provided to non-executive directors of the Board who are not members and such directors may attend committee meetings.
- ❖ Notice of committee meetings will be provided to the CEO, the Finance Officer, and the Auditors, who must attend the meetings if requested. Other members of management may be invited to meetings as the Chairperson of the Committee thinks fit.

3.5 Agenda and Documentation

- ❖ Agenda and supporting documentation of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and all other non-executive directors, no later than 10 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time by the Company Secretary.

3.6 Minutes

- ❖ The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- ❖ Draft minutes of Committee meetings shall be circulated within 5 working days to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairperson it would be inappropriate to do so.
- ❖ Minutes of Committee meetings should clearly define tasks to be carried out (Matters Arising) prior to the next meeting, and the owners of the tasks so that progress can be effectively monitored.

3.7 Authority and Access

- ❖ Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

- ❖ The Committee does not have any executive powers to commit the Board or Management to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.
- ❖ The Committee is not responsible for supervising the performance of Management and does not become involved in day-to-day operations, management functions or decision making.
- ❖ The Committee will have unrestricted access to Management and rights to seek explanations and additional information from management.
- ❖ The Committee will also have unrestricted access to the external auditor
- ❖ The Committee has authority to conduct or direct investigations into any matters within its Charter.

4. Duties and Responsibilities

The duties and responsibilities of the Committee (and their scope) are as follows:

Audit Duties & Responsibilities

4.1 Financial reporting and internal controls

- ❖ Oversee Afri Life's financial reporting processes and internal control framework in the interests of safeguarding the integrity of financial reporting.
- ❖ Review Afri Life's statutory financial reports to form a view as to whether the financial statements provide a true and fair view of the financial position and performance.
- ❖ Oversee the formulation and implementation of accounting judgements exercised by Management in preparing the financial statements.
- ❖ Review the ongoing appropriateness of the accounting judgements exercised by Management in preparing the financial statements.
- ❖ Review budget and distribution recommendations from Management.
- ❖ Ensure that Management is taking appropriate corrective action in response to deficiencies identified by the Regulator following examinations and by the auditors, including internal control weaknesses and instances of non-compliance with laws and policies.
- ❖ Review the adequacy and security of the Company's arrangements for its employees and any contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee will ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- ❖ Make recommendations arising from the above reviews, for consideration by the Board, in connection with the approval and disclosure of the Company's statutory financial reports

4.2 Assessment of systems of financial and internal control

- ❖ Discuss with Management & the external auditor on the Company's accounting and financial controls, and the policies and procedures to assess, monitor and supervise financial risk, business risk, operational risk

, technology and cyber risk, and legal and ethical compliance programs, for the purpose of forming a view as to their appropriateness and effectiveness.

- ❖ Discuss with Management and the external auditor, the Company's accounting policies and methods for the purpose of forming a view as to their appropriateness
- ❖ Review all relevant reports produced by the auditor and Management's response to the matters raised therein and become satisfied that accounting records are properly maintained in accordance with statutory requirements
- ❖ Make any recommendations considered necessary in relation to the matters arising from such reports.
- ❖ Review and monitor the appropriateness of related party transactions involving Afri Life and any associated disclosures in the statutory financial reports.

4.5 Corporate Reporting and Other Disclosures

- ❖ Review the Company's corporate report disclosures, including statutory financial reporting, performance against the risk management framework and reporting on material environmental, social and governance matters, for recommendation to the Board.
- ❖ Consider and review the preparation of any report or other disclosures to be included in the corporate report or other communications relating to the external auditor and to risk management.

5. External Auditors

- ❖ Recommend to the Board the appointment and remuneration (and, where appropriate, replacement) of the external auditor and the terms of their engagement.
- ❖ Review and make recommendations regarding the overall scope and adequacy of the external audit, including identified risk areas and any additional procedures considered necessary.
- ❖ Review external audit plans, including changes to those plans, and review progress reports prepared by the external auditor and determine whether all matters raised, including identified key audit matters, are receiving appropriate attention by management.
- ❖ Resolve with the auditors regarding any disagreements between the external auditor and management in relation to financial reporting.
- ❖ Monitor and periodically evaluate the effectiveness of the external auditor
- ❖ approving and monitoring the nature and quantum of non-audit services provided by the external auditor and providing advice to the Board as to whether the provision of non-audit services is compatible with the general standard of independence and why those non-audit services do not compromise audit independence;

6. Annual General Meeting

The Committee Chairperson will, if requested by the Company Secretary, attend the annual general meeting to answer any shareholder questions on the Committee's activities.

7. Other Matters

The Committee shall:

- ❖ Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- ❖ Have access to sufficient resources in order to carry out its duties, including access to the Company's secretariat for assistance as required.
- ❖ 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.
- ❖ Give due consideration to laws and regulations/guidelines, the principles of The National Code of Corporate Governance for Mauritius and any other applicable rules, as appropriate.

8. Review

Arrange for periodic reviews of its own performance and, at least annually, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.