



# Audit Committee Charter

## 1. Constitution

The audit committee shall be a committee established by the board.

## 2. Objective

The objective of the committee is to assist the board in carrying out its duties in regard to financial reporting and legal compliance.

## 3. Membership

The committee shall be appointed by the Board of Directors.

The committee shall normally consist of members of the board. The committee will have at least three members, all of them, where possible, non-executive directors. Neither the chief executive officer or chairman shall be a member of the committee. At least one member will be a professional with experience in financial and accounting matters. If no member of the board has such experience then an individual from outside of the board shall be appointed to the committee. The individual should meet the independence requirements of an independent director but will not be appointed a director of the company.

The board shall appoint a non-executive director as committee chair.

## 4. Secretarial and Meetings

The secretary of the committee shall be appointed by the board.

A quorum of members of the committee shall be two.

The committee may invite management including the chief financial officer, the external auditors, and other parties, as it considers necessary to provide appropriate information and explanations.

All directors shall be entitled to attend meetings of the committee but only committee members shall be entitled to vote on any matter before the committee.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee, all other members of the board, the chief executive officer, the chief financial officer and the external auditors.

5. **In case** of an equality of votes at a meeting of the Audit Committee, the chairperson of the meeting shall be entitled to a second or casting vote.

Meetings shall be held not less than two times a year having regard to the company's reporting and audit cycle. Any member of the committee, the chief executive officer, the chief financial officer or the external auditors may request a meeting at any time if they consider it necessary.



Minutes of all meetings shall be kept.

## 6. Responsibilities

The responsibilities of the committee are as follows:

- liaison with internal and external auditors;
- oversight of the relationship with the external auditors, including monitoring the independence of external audit practices;
- liaison with the supervisor in regard to external audit matters;
- review and monitor the annual audit plan with the external auditors;
- assessment of the performance of financial management;
- review of audit findings and the annual financial statements of all entities within the FMM Holdings Limited group.
- review of interim financial information;
- recommend adoption of financial statements to the board;
- review of accounting policies;
- oversight of compliance with statutory responsibilities relating to financial, ESG and other requirements;
- review and monitor the insurance programme;
- oversight of audit processes and internal controls relating to audit processes;
- consider and assess going concern nature of business;
- review and recommend to the board the appointment, re-appointment and removal of the external auditors, including their fees and scope; and
- supervision of special investigations when requested by the board.

In addition, the committee shall examine any other matters referred to it by the board.

## 7. Authority

The committee is authorised by the board to address any concerns or complaints raised by the auditors in relation to the audit process and to investigate any activity brought to its attention relating to audit matters or its responsibilities as outlined above. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the committee.

The committee is authorised by the board to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.

The committee shall determine appropriate procedures as required to deal with concerns or complaints of any employees regarding internal control or audit matters. All employees can report any concerns to the Chair of the Audit Committee. All such submissions shall be treated as confidential. While the company encourages internal reporting in the first instance, it is acknowledged that in accordance with the Protected Disclosures Act 2022, reporting may occur directly to an appropriate authority in certain circumstances and all directors and employees are free to do so without fear of retribution or adverse action.

## 8. Review of the Committee

The Committee shall undertake an annual self review of its objectives and responsibilities.



Such objectives and responsibilities shall also be reviewed by the board, the chief executive officer, the chief financial officer and any other person the board considers appropriate.

## 9. **Reporting Procedures**

The committee shall maintain direct lines of communication with the external auditors, the chief executive officer, the chief financial officer, the internal auditors and with management generally including those responsible for non-financial risk management.

The chief executive officer and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of the company, any material breakdown in internal controls, and any material event of fraud or malpractice.

After each committee meeting the chairman shall report the committee's findings and recommendations to the board.

The minutes of all committee meetings shall be circulated to members of the board, the chief executive officer and the chief financial officer, the external auditors and to such other persons as the board directs.

The chairman shall present an annual report to the board summarising the committee's activities during the year and any related significant results and findings.

