

JAIZ BANK PLC

STATUTORY AUDIT COMMITTEE CHARTER

VERSION IV

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INTRODUCTION

This Charter governs the work scope and principles governing the operations of the Board Audit Committee of Jaiz Bank Plc. ("The Committee").

I. OBJECTIVE

The Statutory Audit Committee (the "Committee") comprise of three (3) Board members appointed by the Board of Directors (the "Board") of Jaiz Bank (the "Bank"), and three (3) other members elected by the Shareholders at the Bank's Annual General Meeting in fulfilment of the provisions of the Companies and allied matters act for the purpose of carrying out the responsibilities stated in clause in Clause "4" hereunder.

The Committee acknowledges the corporate governance guidelines issued by the Central Bank of Nigeria, the Security and Exchange Commission, and other relevant regulatory provisions as they pertain to the foregoing objectives.

2. COMPOSITION

2.1 The Committee shall consist of not less than three (3) non-executive directors, appointed by the Board and three (3) other members elected by the Shareholders at the Bank's Annual General Meeting. The Board shall consider the independence, expertise, entrepreneurial skills and other qualifications of prospective members of the Committee before nominating and appointing the members of the Committee.

The appointment and removal of the Board Members on the Committee shall be the responsibility of the Board.

Attending meetings by standing invitation are the Bank's Finance Director, Chief Compliance Officer, and Chief Internal Auditor or their nominees (subject to prior clearance by the Chairman). Any director, officer or employee of the Bank, external risk advisor and other relevant or expert person may be invited to attend all or part of any meeting by the Committee Chairman.

2.2 The Chairman of the Committee who shall be a representative of the shareholders shall be elected by members of the Committee. *The Chairman of the Committee shall be financially literate*

2.2 The Company Secretary of the Bank, or their nominee, shall act as Secretary of the Committee.

3. MEETINGS AND MINUTES

- 3.1 The Committee shall meet at least once every quarter.
- 3.2 A meeting may be called by the Chairman of the Committee, or any member of the Committee.
- 3.3 A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two weeks prior to the time fixed for such meeting, with the exception of emergency meetings which shall require at least 3 days' notice unless waived by all members entitled to attend.
- 3.4 Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- 3.5 A quorum for meetings of the Committee shall require attendance of at least four (4) members
- 3.6 If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting will be chosen to preside by a majority of the members of the Committee present at that meeting.
- 3.7 Notwithstanding the foregoing, the Chair of the Committee may hold *in camera* sessions, without management present, or with the Chief Compliance Officer a/Chief Internal Auditor alone whenever deemed necessary.
- 3.8 Decisions of the Committee shall be determined by consensus.
- 3.9 The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings.
- 3.10 Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee.
- 3.11 All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.
- 3.12 A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.

3.13 Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

3.14 The Committee, subject to the Board's approval, shall continuously review and modify its terms of reference with regard to, and to reflect changes in, the business environment, industry standards on matters of corporate governance, additional standards which the Committee believes may be applicable to the Bank's business and the application of laws and policies.

4. RESPONSIBILITIES

Subject to the detailed requirements of relevant regulations, the Committee carry out the following functions:

- 4.1 Ascertain whether the accounting and reporting policies of the Bank are in accordance with legal requirements and agreed ethical practices;
- 4.2 Review and approve the scope and planning of audit requirements;
- 4.3 Make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company.
- 4.4 Establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company;
- 4.5 Ensure the development of a comprehensive internal control framework for the company; obtain assurance and report annually in the financial report, on the operating effectiveness of the company's internal control framework;
- 4.6 Assist in the oversight of the integrity of the company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of External Auditors; and performance of the company's internal audit function as well as that of external auditors; and ensure that where non-audit services are provided by the External Auditors, there is no conflict of interest;
- 4.7 Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors;
- 4.8 Review the findings in management letters in conjunction with the External Auditors and Management's responses thereon;
- 4.9 Oversee management's process for the identification of significant fraud risks across the Bank and ensure that adequate prevention, detection and reporting mechanisms are in place;
- 4.10 Consider any related party transactions that may arise within the company or group;
- 4.11 At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or

recommendations for improvement raised by the most recent internal control review of the company;

4.12 Discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors;

5. AUTHORITY

The Committee has the authority of the Board to:

5.1 Investigate any activity within its terms of reference.

5.2 Have direct access to such officers and employees of the Bank and to any other consultants or advisors, and to such information respecting the Bank it considers necessary to perform its duties and responsibilities.

5.3 Form and delegate authority to sub-committees, comprised of one or more members of the Committee as necessary or appropriate. The sub-committee will have the full power and authority of the Committee.

6. REMUNERATION OF MEMBERS OF THE COMMITTEE

The members of the Committee shall be entitled to sitting allowance, reimbursable travel and hotel expenses as approved by the Board.

7. MISCELLANEOUS

7.1 The Committee shall undertake an annual review of these terms of reference and recommend any changes needed to the Board of Directors its for approval.