

BOARD AUDIT COMMITTEE CHARTER

Board Audit Committee Charter

Establishment

The Board Audit Committee was appointed and established, pursuant to the resolution of the Board of Directors of the Company passed at its Meeting on May 5, 2011.

Objectives

The Committee is appointed by the Group Board to assist and enable the Group Board to fulfil its oversight responsibilities to all stakeholders with respect to Integrity of the financial statements and financial reporting systems of the Group, External audit engagement, The internal controls and internal audit function, Significant Financial Risks, The Group's financial reporting and compliance with all applicable Regulatory, Statutory, and legal reporting requirements, Compliance with Regulations and laws of the Federal Republic of Nigeria as they impact their oversight responsibilities.

Committee composition

The Committee shall be composed of at least 3 (three) NEDs and a majority of them should be INEDs where possible.

Duties and responsibilities

In exercising its authority and carrying out its responsibilities, but without limiting its role, to fulfil its responsibilities and duties, the Committee shall:

1. Integrity of the financial reporting statements and processes

- 1.1. Review and discuss with management the financial results and statements and approve that the interim financial statements should be issued;
- 1.2. Review and discuss with management and the external auditor significant financial reporting issues and findings on the control environment, judgments made in connection with the preparation of the Group's financial statements and the report of the auditors in respect of their audit thereon;
- 1.3. Review and discuss with management and the external auditor, judgments on the quality and appropriateness of the Group's accounting principles as applied in its financial reporting, including use of alternative disclosures and accounting principle treatment;
- 1.4. Regularly review the audit plan for coverage of all material risks and financial reporting requirements;
- 1.5. Review and discuss disclosures relating to financial information, certifications and controls;

2. External audit

- 2.1. Review annually and approve the terms of engagement, fees, and other compensation to be paid to the Statutory Auditors;
- 2.2. Assess the qualification and independence of the external auditors;
- 2.3. Set clear hiring policies for employees or former employees of the external auditor;
- 2.4. Review, pre-approve and monitor permissible non-audit services following an assessment of the threats to independence and safeguards that the Statutory Auditor will apply to mitigate or eliminate those threats;
- 2.5. Oversee the external audit engagement, monitor the process of the audit of statutory or consolidated financial statements, mainly covering the planning, findings and conclusions;
- 2.6. Review and monitor the independence of the Statutory Auditor, including the annual report from the Auditor, discussing key issues and mitigate with the Auditor;
- 2.7. Oversee the Statutory Auditor's compliance with additional reporting requirements in the Audit Report and then report to the Audit Committee;

3. Oversight of internal controls

- 3.1. The Internal Auditor functionally has a direct reporting line to the Chairman of the Committee and a line of communication to the MD;
 - 3.2. The Committee shall:
 - 3.2.1. Ensure the establishment of and exercise oversight on the internal audit function, which provides assurance on the effectiveness of the internal controls. All oversight responsibilities for Internal Audit shall be domiciled exclusively with the Committee;
 - 3.2.2. Authorize Internal Audit to carry out investigations into any activities of the Group, which may be of interest or concern to the Committee;
 - 3.3. Review and discuss the adequacy and effectiveness of the Group's internal controls and any special steps adopted in light of material control deficiencies;
 - 3.4. Ensure the development of a comprehensive internal control framework for the Group, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited consolidated financial report, on the design and operating effectiveness of the Group's internal controls over the financial reporting systems;
 - 3.5. Review and discuss quarterly reports to the Committee prepared by (a) Internal Auditor on management control over financial reporting and Control Risks, and (b) other reports on, financial risks, Related Party Transactions risks, and compliance and legal risk;.
 - 3.6. Monitor the report on long-term resolution issues confirming that managements' responses are received, discussed and appropriately acted upon;
 - 3.7. Review and approve Internal Auditor's annual audit plan;
 - 3.8. Review Group Internal Control structures and the independence of the Internal Auditor;
 - 3.9. Review the effectiveness of Internal Audit Function and that it has appropriate standing within the Group;
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4. Whistleblowing and fraud risk management

- 4.1. Review and ensure that adequate whistleblowing policies, framework and procedures are in place;
- 4.2. Review reported whistleblowing cases, the process of investigation, and the result of the investigation presented by the designated senior personnel in charge of managing the whistleblowing mechanism;
- 4.3. Summarize and present significant whistleblowing issues to the Board periodically;
- 4.4. Oversee the process for identification of significant fraud risks across the Group and ensure that adequate prevention, detection, and reporting mechanisms are in place;

5. Financial reporting regulatory compliance

- 5.1. Obtain regular reports from management and the auditors that the Group are in conformity with applicable laws and regulations over financial information, reporting, disclosure, and requirements, legal and / or regulatory;
- 5.2. Review and ensure that adequate whistle blowing procedures and structures are in place and that a summary of issues reported are highlighted to the Committee;
- 5.3. Discuss with relevant officers on legal matters that may have a material impact on, or require disclosure in, the financial statements;

6. Review and approve the Company's annual Corporate Social Responsibility budget proposed by the Executive Management from which the Executive Management can draw;

7. At least annually, meet with the Head of Internal Audit and external auditors in executive and/or private sessions to, among other matters, help evaluate the Group's control environment;

8. Review and approve, on a periodic basis, the entries in the sealing Register regarding the use of the seal;

9. Receive and review reports as required by regulations.