



# Daakye Trust PLC

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## TERMS OF REFERENCE & CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

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### Directors

Stephen Antwi-Asimeng, Samuel Arkhurst, Hayford Amoh, Emmanuel Addo, Frederick Dennis

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## **1. Introduction**

The Audit Committee was established by the Board of Directors of Daakye Trust PLC (the “Company”) on 19<sup>th</sup> March, 2021 pursuant to clause 62 of the Company’s Constitution and paragraphs 17, 18 and 19 of the SEC Corporate Governance Code for Listed Companies, 2020 (SEC/CD/001/10/2020).

This Charter sets out the purpose for which the Audit Committee was established and the Committee’s powers, duties and responsibilities.

## **2. Purpose**

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its corporate governance and oversight responsibilities towards the Company relating to the Company’s financial reporting processes, systems of internal control and audit processes.

## **3. Composition**

The Audit Committee shall consist of at least three (3) directors of which a majority shall be independent non-executive directors. The members shall meet the experience requirements of the SEC. At least one of the independent non-executive members shall be a Chartered Accountant with recent and relevant financial experience. The Chairperson of the Committee shall be a Chartered Accountant and an independent non-executive director designated by the Board of Directors.

The Company Secretary shall act as the Secretary to the Committee.

## **4. Functions and Responsibilities**

In addition to any other responsibilities which may be assigned from time to time by the Board, the Audit Committee shall perform the following functions:

- Monitor the integrity of the financial statements of the Company including its annual and half-yearly reports, monthly management accounts and any other Statements relating to the Company’s financial performance;
- Review all documents containing financial information and financial statements requiring Board approval and make relevant recommendations to the Board;
- Keep under review, the Company’s internal financial control systems that identify and monitor financial risks;
- Investigate any matter brought to its attention which is within the scope of its duties. In carrying out its investigations, it shall have the authority to retain counsel or other advisors at the expense of the Company, if in its judgment that is appropriate;
- Monitor compliance with internal and external financial policies;

- Review and discuss the results of the annual audit and the quarterly and annual financial statements with management and make recommendations to the Board;
- Review the external auditors' management letter when presented and ensure adequacy of Company's response;
- Review with the Corporate Manager annually, the significant financial reporting issues and practices of the Company, and ensure that appropriate accounting principles are applied including financial controls relating to the "closing of the books" process;
- Make recommendations to the Board with respect to the effectiveness of internal financial controls;
- Consider and report on any related party transactions that may arise within the Company, assessing in particular whether the price and other terms are consistent with an arm's length transaction and considering whether or not they are in the long-term interests of the Company as a whole and whether or not they should be subject to the approval of the shareholder at a General Meeting;
- Discuss with the external auditor before the audit commences, the nature and scope of the audit,
- Discuss problems and reservations arising from the audits, and any matter the external auditor may wish to discuss (in the absence of management where necessary);
- Assess annually, the external auditor's independence and objectivity; and
- Be a channel of communication between the external audit function and the Board.

## **5. Authority**

The Board of Directors shall ensure that the Audit Committee shall have adequate resources and authority to discharge its responsibilities; authority to investigate any matter within its scope of responsibilities; authority to employ professional advice or assistance, if necessary; and full access to any information the Committee considers relevant.

## **6. Procedures & Meetings**

The Audit Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, but not less frequently than biannually. The Chairperson of the Audit Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this Charter.

A quorum of the Audit Committee shall comprise any two (2) members.

If the Chairperson of the Committee is unable to attend a Committee meeting,

the Chairperson, or the members present, shall appoint another member who is an independent director to act as Chairperson for that meeting.

Meetings may be held either in-person or by video or telephone conferencing.

The Audit Committee shall meet with the external auditors of the Company at least once a year.

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members or at the request of the external auditor, or the Corporate Manager as and when necessary.

Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed as well as supporting documents relating thereto, shall be forwarded to each member of the committee no later than 5 days before the date of the meeting.

Notices, agendas and supporting papers may be circulated via electronic mail.

#### **7. Reporting to the Board**

The Audit Committee shall prepare an annual Report detailing its work and activities, and shall include in its Report, a confirmation that the external auditor was independent, appropriately qualified and acted with due care. The Report of the Audit Committee shall be included in the Board's annual Report.

#### **8. Evaluation, Review & Training**

The Audit Committee shall conduct an annual review of this Charter and of its own effectiveness. Any amendments to this Charter are subject to the approval of the Board of Directors.

The Committee shall be provided with appropriate training on a yearly basis.

Approved by the Board of Directors of Daakye Trust PLC on 18 November 2021.