

Terms of Reference of the Statutory Audit Committee

The Committee is authorized by the Companies and Allied Matters Act, CAP C20 Laws of the Federation 2004.

- a) ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) review the scope and planning of external audit;
- c) review the findings as reported through the management controls report and management responses thereon;
- d) keep under review the effectiveness of the Company's system of accounting and internal control;
- e) make recommendation to the Board with regards to the appointment, removal and remuneration of the external auditors of the Company;
- f) authorize the internal auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee.

In addition, the 2011 Securities and Exchange Commission (SEC) Code of Corporate Governance also assigns the following responsibilities to the Audit Committee:

- g) To oversee internal audit and internal controls; and to document and review the roles, responsibilities, authority and scope of operations of the internal audit function; approve the annual internal audit plan.
- h) 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 auditor and performance of the Company's internal audit function as well as that of external auditors
- i) 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 of the company;
- j) 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;

- k) Oversee management's process for the identification of significant fraud risks across the company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- l) 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 control review of the company;
- m) Discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors;
- n) Meet separately and periodically with management, internal auditors and external auditors;
- o) Review and ensure that adequate whistle-blowing procedures are in place. A summary of issues reported are highlighted to the chairman;
- p) Review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same;
- q) Review the independence of the external auditors and ensure that where non-audit services are provided by the external auditors, there is no conflict of interest;
- r) Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors;
- s) Consider any related party transactions that may arise within the company or group;
- t) Invoke its authority to investigate any matter within its terms of reference and the company must make available resources, including internal audit and access to external advice where necessary, to carry out this function; and report to the members of the company at annual general meeting and to the Board of Directors, when necessary