



This Charter sets out the role, responsibilities, structure and processes of the Audit and Risk Committee (**Committee**), established by the Board of Directors of IGE Group of Companies (**Company**).

1. Roles and Responsibilities

1.1 The role of the Committee is to assist the Board in fulfilling its responsibilities in overseeing the Company's financial reporting, setting the risk parameters of Company, and overseeing the Company's systems of internal control and its risk management framework. In fulfilling this purpose, the Committee will:

- (a) review and assess the Company's processes which ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements, including accounting standards;
- (b) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Company's external auditors and the integrity of the audit process as a whole;
- (c) oversee the effectiveness of the systems of internal controls and risk management framework;
- (d) oversee the performance & effectiveness of the internal audit function;
- (e) oversee the policies and procedures for ensuring the Company's compliance with relevant regulatory and legal requirements, and make recommendations to the Board in relation to each of these areas, where necessary.

1.2 The main responsibilities of the Committee include:

Integrity of financial statements and reporting

- (a) reviewing and recommending to the Board for approval the draft annual and interim IGE financial statements and other related corporate information. The review process will include consideration as to whether the financial statements reflect the understanding of the Committee of, and otherwise provide a true and fair view of, the financial position and performance of the Group, and a discussion with management and the external auditors prior to their submission and recommendation to the Board;
- (b) reviewing and assessing the effectiveness of management's programs and policies, and discussing with the external auditors, the adequacy and effectiveness of the Group's financial and reporting systems, and internal controls over these systems;
- (c) reviewing any material changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements, policies and practices;
- (d) reviewing any judgments made by management in respect of accruals, provisions (hedge against possible losses), estimates, realized/ unrealized gains or losses or the application of accounting treatments & policies, which materially affect the financial statements, as well



- as other sensitive matters, such as disclosure of unusual, complex or related party transactions (between parent and subsidiary companies); and
- (e) reviewing and discussing with senior management and the external auditors the process and the disclosures made in respect of the certifications given by the Group Managing Director/ Group CEO and Finance Director/ CFO with respect to the financial statements of the Group pursuant to the Myanmar Companies Act;

Engagement with external auditors

- (f) reviewing with management the terms, including the scope of the external auditor's engagement in order to make recommendations to the Board concerning the appointment, re-appointment, rotation and removal of external auditors;
- (g) reviewing and approving the terms of engagement and fees of external auditors;
- (h) reviewing and assessing non-audit and assurance-related services to be provided by external auditors, with particular consideration to the potential of those services to impair external auditors' judgments or independence in respect of the Group;
- (i) reviewing, assessing and approving the audit plans of the external auditors, including the degree of co-ordination between the internal and external audit teams;
- (j) reviewing and assessing the planned audit scope to ascertain the extent to which it can be relied upon to ensure that the financial report is free from material misstatement whether due to fraud or error. The review will include an evaluation of how the auditor will consider controls relevant to the preparation and fair presentation of the financial report;
- (k) reviewing the summary management report prepared by external audit, including the significant findings and responses/ action plans of management; and assessing any significant recommendations of the auditors to strengthen the internal controls and reporting systems;
- (l) periodically meeting with the external auditors without the presence of management, to discuss the quality of the accounting principles, material judgments, and any other matters that the Committee or external auditors deem appropriate;
- (m) reviewing, assessing and monitoring management's cooperation & responsiveness to external audit findings; and
- (n) assessing and monitoring the performance and effectiveness of the external auditors, including an assessment of auditor independence in accordance with regulatory requirements; and obtaining an independence declaration from each external auditor, as required;

Internal controls and risk management

- (o) reviewing management and internal audit reports on the effectiveness of the internal control, risk management systems and management of material business & operation risks;
- (p) reviewing and assessing in the course of the year the effectiveness of the internal controls, policies, programs, guidelines and procedures which form the risk management framework reporting systems and processes for managing risk and controlling their financial impact;
- (q) reviewing and assessing management's oversight of the operations and risk; and



Internal Audit

- (s) reviewing, assessing and approving the appointment, replacement or termination of the General Manager/ Head of Group Assurance and Risk (Internal Audit), and ensuring that he or she has direct access to the Committee Chairman and the Chairman of the Board;
- (t) meeting with the General Manager/ Head of Group Assurance and Risk (Internal Audit) and/or General Manager of Group Finance under CFO without the other members of management being present on a periodic basis, whenever it is deemed appropriate by the Chairman of the Committee;
- (u) approving the resourcing of the internal audit function, its budget and staffing including any internal audit outsourcing arrangement;
- (v) reviewing the scope and adequacy of the internal audit work plan;
- (w) reviewing and assessing the performance and objectivity of the internal audit function;
- (x) approving the internal audit charter and annual internal audit plan ensuring its alignment with the risk profile.

Legal and regulatory compliance

- (y) reviewing and assessing the effectiveness of the Compliance Program in ensuring compliance with relevant regulatory and legal requirements;
- (z) reviewing and assessing the effectiveness of internal processes for ensuring compliance with the policies and procedures;
- (aa) reviewing compliance reports prepared by management in relation to the compliance with statutory, legal and other regulatory requirements; and identifying and considering any matters that may have a material impact on the activities, and report on those matters to the Board;
- (bb) obtaining regular updates from the Legal Counsel/ Lawyer and other management, as appropriate, regarding any material litigation and the compliance with significant statutory requirements; and
- (cc) reviewing, assessing and monitoring the effectiveness of the policies and procedures on continuous disclosure and reporting on these to the Board;

Other areas of responsibility

- (dd) overseeing the process for the receipt, retention and treatment of information received under the Whistleblower Policy, and procedures for complaints regarding matters relating to audit, financial statements, internal controls, misbehavior, possible fraud or conduct that is in breach of the Anti-Bribery Policy or Code of Conduct;
- (ee) reviewing and assessing the adequacy of the insurances against the all Potential Risks;
- (ff) holding individual executive sessions with the Finance Director/ CFO or other senior management/ executive officers to discuss matters with the Committee, as appropriate; and
- (gg) performing any other duty or undertaking that the Board may request from time to time.



2. Structure and Composition

- 2.1 The Committee will comprise of:
- (a) Majority of independent & non-executive directors;
 - (b) at least three members; who are able to exercise independent judgments in their role as a member of the Committee, as determined by the Board;
 - (d) members who have the necessary technical, accounting and financial expertise, as well as a sufficient understanding of the industries in which the businesses operate, for the purpose of discharging the role of the Committee effectively, and assessing and questioning information presented in Committee meetings; and
 - (e) at least one member who has the proven relevant financial qualifications and experience.
- 2.2 *The Chairman of the Committee will be appointed by the Board and shall be an Independent non-executive director who is not the Chairman of the Board, and is considered by the Board to be independent.*
- 2.3 The Board may determine the appointment and term of any member of the Committee at any time. Retirement and renewal of Committee members shall be reviewed on an ongoing basis by the Board.
- 2.4 Any directors of the Board who are not Committee members are entitled to attend Committee meetings and receive copies of the Committee papers.
- 2.5 The Committee, through the Committee Chairman, may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with the Group Managing Director/ Group CEO, Finance Director/ CFO, the General Manager Group Finance, the General Manager Group Assurance and Risk and the external auditors to attend any meeting of the Committee, for a duration as determined by the Chairman of the Committee.
- 2.6 The Committee will appoint a Committee Secretary who will act as secretary for all meetings of the Committee. The Committee Secretary or a nominee will take minutes, distribute these to Committee members for comment, and have these approved by the Committee Chairman as soon as practicable after each meeting.
- 2.7 The minutes of each Committee meeting will be tabled as part of the Board papers for the next Board meeting occurring after the minutes have been approved by the Committee Chairman.

3. Meetings

- 3.1 The Committee will meet at least four (4) times annually, and will hold additional meetings as it deems necessary.
- 3.2 At a meeting of the Committee, the number of Committee members whose presence is necessary to constitute a quorum will be two (2).
- 3.3 Any member of the Committee, the Finance Director/ CFO or the auditors may request the Committee Chairman to convene a meeting of the Committee at any time. That request will be in writing and include an outline of the purpose for that meeting.



- 3.4 The Committee Chairman is responsible for the conduct of all Committee meetings. Matters arising for determination at a Committee meeting must be decided by a majority of votes cast by the members present and entitled to vote on the matter. The Committee Chairman has a casting vote, subject to the terms of the Constitution.
- 3.5 The Committee Secretary is responsible for distributing meeting notices, agendas and Committee papers to members prior to each meeting.
- 3.6 The Committee will be responsible for developing an annual agenda, to ensure that the Committee reviews, assesses or reports (as applicable) on each of the areas for which it is responsible under this Charter.

4. Access to Information and Independent Advice

- 4.1 The Committee has the authority to require:
 - (a) the attendance of any management or employee of the Group; and
 - (b) unrestricted and unfettered access to any information, document, report or material in the possession of any manager, employee or entity of the Group, and all employees and managers must comply with such requests from the Committee, subject to any legal requirements, including any fiduciary or statutory duties of Committee members.
- 4.2 With the prior written approval from the Chairman of the Board, the Committee may engage any independent legal, financial or other advice as it considers necessary to perform its responsibilities under this Charter, at the Company's expense.

5. Reliance

- 5.1 The Committee members are entitled to rely on:
 - (a) information or advice of management and employees of the Company on matters within their area of responsibility; and
 - (b) the advice of internal and external counsel and other experts on matters within their areas of expertise, provided that reliance is permitted by law.
- 5.2 Before a Committee member can rely on information or advice referred to in clause 5.1, the Committee member must be satisfied that:
 - (a) there are no facts or circumstances that he or she is aware, or ought to be aware, which would deny reliance; and
 - (b) he or she has reviewed the information or advice, having regard to the member's knowledge of the Group.



6. Reports to Board

The Committee will keep the Board informed of its activities through the provision of the minutes and Committee papers of each meeting. Additionally, the Committee Chairman will formally advise the Chairman of the Board of any matters or recommendations requiring the attention by the Board, and will ensure that the Board is made immediately aware of any matters brought to the attention of Committee Chairman, that may significantly impact the financial condition or reputation of the Company.

7. Review and Assessment

- 7.1 The Committee will assess its effectiveness periodically and report on its findings to the Board. The Committee will also participate in a formal review every two (2) years, as part of the Board and Committee review process.
- 7.2 The Committee will regularly review this Charter to ensure that it meets best practice standards, complies with Corporate Governance Principles, and meet the needs of the Company and the Committee.