

BETA GLASS PLC

BOARD RISK AND AUDIT COMMITTEE CHARTER

1. INTRODUCTION

1.1 This Board Risk and Audit Committee Charter of BETA GLASS PLC (“Beta Glass” or “the Company”) is subject to the provisions of the Companies and Allied Matters Act, 2020, the Securities and Exchange Commission Code of Corporate Governance, 2011, the Nigerian Code of Corporate Governance, 2018, the Financial Reporting Council of Nigeria Act, 2011, the Investment and Securities Act, 2007 and the Memorandum and Articles of Association of Beta Glass.

2. PURPOSE AND AUTHORITY

2.1 The Board Risk and Audit Committee (“the Committee”) is established by and among the board to properly align with Management on its internal audit and risk management programmes. The primary responsibility of the Audit and Risk Management Committee is to oversee and approve the company-wide internal audit and risk management practices to assist the board in:

- Overseeing that the Management team has identified and assessed all the risks faced by the Company and has established a risk management infrastructure capable of addressing those risks.
- Overseeing, in conjunction with other board-level committees or the full board, if applicable, risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other identified risks.
- Overseeing the division of risk-related responsibilities to each Board committee as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed.
- In conjunction with the full board, approving the Company’s enterprise wide risk management framework.
- Overseeing the Internal Audit Function, reviewing and recommending for approval of the Board, the internal audit plan.
- Overseeing the effectiveness and adequacy of the Company’s internal control system and making recommendations to the Board.

2.2 In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

3. MEMBERSHIP

- 3.1** The Committee shall consist of at least three (3) Non-Executive Directors appointed by the Board from its members.
- 3.2** The Managing Director, the Chief Finance Officer, the Head of Internal Audit and the Head of Risk Functions may be in attendance. Where discussions affect any member personally, such member shall be excused from participating in the meeting in which the discussions are being conducted.
- 3.3** Unless a chairperson is elected by the full board, the members of the Committee may designate a chairperson by majority vote.
- 3.4** The Secretary to the Board of Directors or his/her nominee shall act as the Secretary to the Committee.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall include the following:

- 4.1** Help to set the tone and develop a culture of the Company's business vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the Company's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them.
- 4.2** Monitor the Company's risk profile; its on-going and potential exposure to risks of various types and periodically review and evaluate the Company's policies and practices with respect to risk assessment and risk management and annually present to the full board a report summarizing the committee's review of the company's methods for identifying, managing, and reporting risks and risk management deficiencies.
- 4.3** Oversee the establishment of a management framework that defines the company's risk policy, risk appetite and risk limits.
- 4.4** Ensure that business profile and plans are consistent with the Company's risk appetite.
- 4.5** Assist the Board in overseeing risk management and monitoring the Company's performance with regards to risk management and review the structure for, and implementation of, risk measurement and reporting standards as well as methodologies.
- 4.6** Review and approve the Risk Management Policy and Risk Management Plan which shall both be developed by the Management.

- 4.7** The risk management plan should consider the maturity of the risk management of the company and should be tailored to the specific circumstances of the company. The risk management plan should include:
- the Company's risk management structure.
 - the risk management framework i.e. the approach to be followed, such as but not limited to: COSO, ISO, ERM Code of Practice.
 - the standards and methodology adopted – this refers to the measureable milestones such as tolerances, intervals, frequencies, frequency rates, etc.
 - risk management guidelines
 - reference to integration through, for instance, training and awareness programmes, and
 - details of the assurance and review of the risk management process.
- 4.8** The Risk Management Policy should set the tone for risk management in the Company and should indicate how risk management will support the company's strategy. The risk management policy should include the Company's definitions of risk and risk management, the risk management objectives, the risk approach and philosophy, as well as the various responsibilities and ownership for risk management within the Company.
- 4.9** Undertake at least annually a thorough risk assessment covering all aspects of the Company's business and use the result of the risk assessment to update the risk management framework of the Company.
- 4.10** Review the charter at least annually and update it as needed to respond to new risk-oversight needs and any changes in regulatory or other requirements.
- 4.11** Submit an annual Letter of Representation to the Audit Committee confirming that status of risk issues relevant to the annual Financial Statements.
- 4.12** Review issues raised by the External Audit and/or Internal Audit that impact the risk management framework or the Company's risk management.
- 4.13** Review and make recommendations to the Board on draft statutory statements covering governance and risk management issues in accordance with the requirements of regulators.
- 4.14** Perform any other activities consistent with this Charter, the Company's policies, and governing laws that the board or the committee determines are necessary or appropriate.
- 4.15** Ensure disclosure of the Company's risk management policies and practices in the annual report.
- 4.16** In performing its Audit functions the duties and responsibilities of the Committee shall include;
- Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
 - Reviewing the scope and planning of audit requirements

- Reviewing the findings in management letter in conjunction with the external auditor and management responses thereon.
- Keep under review the effectiveness of the Company's system of accounting and internal control.
- Make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company.
- Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the committee.
- Exercising oversight over management's processes to ascertain the integrity of the Company's financial statements, compliance with all applicable legal and other regulatory requirements; and
- Assessing the qualifications and independence of the external auditors, and the performance of the Company's internal audit function as well as that of the external auditors;
- Ensuring the establishment of and exercise oversight on the internal audit function which provides assurance on the effectiveness of the internal controls.
- On a quarterly basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including identification of any issues or recommendations for improvement raised by the most recent internal audit review of the Company;
- Ensuring the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems;
- Oversee the process for the identification of fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- Discuss the interim or annual audited financial statements as well as significant financial reporting findings and recommendations with management and external auditors prior to recommending same to the Board for their consideration and appropriate action;
- Maintaining oversight of financial and non-financial reporting.
- Reviewing and ensuring that adequate whistle-blowing policies and procedures are in place and that the issues reported through the whistle-blowing mechanism are summarized and presented to the board;
- Review, with the external auditors, any audit scope limitations or significant matters encountered and management's responses to same;
- Develop a policy on the nature, extent and terms under which the external auditors may perform non-audit services;

- Review the independence of the external auditors in line with the policy referred to above prior to their appointment to perform non-audit services to ensure that where approved non-audit services are provided by the external auditors, there is no real or perceived conflict of interest, or other legal or ethical impediment;
- Preserve auditor independence, by setting clear hiring policies for employees or former employees of external auditors;
- Ensure the development of a Related Party Transactions policy and monitor its implementation by management. The Committee should consider any related party transaction that may arise within the Company.
- At least once in a year, the committee should hold a discussion with the head of the internal audit function and the external auditors without the presence of management, to facilitate an exchange of views and concerns that may not be appropriate for open discussion.

5. MEETINGS

- 5.1** The Committee shall meet at least four (4) times annually or as frequent as it deems necessary to carry out its duties and responsibilities.
- 5.2** Only members of the Committee have the right to attend Committee meetings. However, the Committee reserves the right to invite other individuals to attend all or part of any meeting, where the Committee believes that the attendance of such individual(s) shall be beneficial to its work.
- 5.3** In the absence of the Committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 5.4** The quorum necessary for the transaction of business shall be two (2) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.5** The decisions of the Committee may be by unanimous assent of all members present. If a matter is put to vote, it shall be decided by the majority. Where there is a tie, the Chairperson of the Committee shall have the casting vote.
- 5.6** The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly. The Chairperson shall determine if such conflict sufficiently warrants the member to be excused to attend and/or vote on the subject matter of the meeting.
- 5.7** Meetings of the Committee shall be called by the Secretary at the request of the Chairperson.

5.8 There shall be at least seven (7) days' notice of a Committee meeting. However, upon agreement of all members, the Committee may meet on a notice less than one (1) week for this purpose.

5.9 The Secretary shall take minutes of the proceedings and resolutions of all meetings of the Committee, including the record of members present and those in attendance.

6. OTHER MATTERS

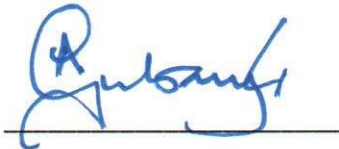
6.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Board Secretariat for assistance as required; and oversee any activity that is within this Charter.

6.2 The Committee shall have the authority to form and delegate authority to sub-committees and delegate authority to one or more designated members of the Committee.

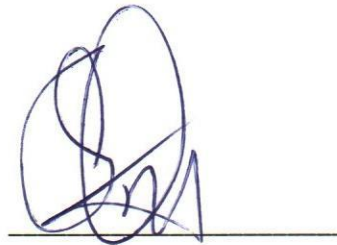
7. AMENDMENT, MODIFICATION OR VARIATION

7.1 This Board Risk and Audit Committee Charter shall only be amended, varied or modified in writing with final approval given by the Board.

The Board Risk and Audit Committee Charter is hereby approved by the Board of Directors of Beta Glass Plc. this 24th day of March, 2022



Chairman, Board of Directors



Chairperson, Board Risk and Audit Committee