

THE ROLE OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors consists of 03 directors all of whom are non-executive members. The Audit Committee members have sufficient financial and accounting experience and understand the Company's business and risk profile, and apply their business experience and judgment to the issues for which the committee is responsible with an independent and critical eye.

The Audit Committee is responsible for oversight of the integrity of the financial statements of the Company, of the Company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the Company's internal audit function and internal auditors.

- The Audit Committee evaluates and understands the Company's risk profile and oversees the Company's risk assessment and management practices.
- The Audit Committee is responsible for supervising the Company's relationship with its outside auditor, including recommending to the full Board the firm to be engaged as the outside auditor and evaluating the auditor's performance. The selection of an outside auditor involves an annual due diligence process in which the Audit Committee reviews the qualifications, work product, independence and reputation of the proposed outside auditor. Based on its due diligence, the Audit Committee makes an annual recommendation to the full Board about the selection of the outside auditor.
- The Audit Committee reviews and discusses with management and the outside auditor the company's critical accounting policies and the quality of accounting judgments and estimates made by Management.
- The Audit Committee understands and is familiar with the Company's system of internal controls and on a periodic basis reviews, with both internal and outside auditors, the adequacy of this system.
- The Audit Committee reviews the Company's procedures of addressing compliance with the law and important corporate policies.
- The Audit Committee reviews and discusses the Company's annual financial statements with Management and the outside auditor and, based on these discussions; recommends that the Board approve the financial statements for publication and filing. The Audit Committee reviews the Company's quarterly financial statements prior to release as well.
- The Audit Committee oversees the Company's internal audit function, including review of reports submitted by the internal audit staff and review the appointment and replacement of the Internal Auditor/s.

- The Audit Committee provides a channel of communication to the Board for the outside auditor, internal auditors and may also meet with and receive reports from finance officers, compliance officers and Legal Counsel.
- Audit Committee meetings are held frequently enough to allow the Committee to appropriately monitor the annual and quarterly financial reports. Meetings are scheduled with enough time to permit and encourage active discussions with Management and the internal and outside auditors. The Audit Committee at times meets with the internal and outside auditors, without management present and communicates with them between meetings if necessary.