



AUDIT COMMITTEE CHARTER

Approvals

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| 3.0 | April 2017 | | Second Policy Review |
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Nigeria Sovereign Investment Authority

Audit Committee Charter

Reviewed/ Approved 2015

A. Introduction

The Audit Committee is a standing committee of the Board of Directors ("Board") of the Nigeria Sovereign Investment Authority ("NSIA"), established to assist the Board in fulfilling its oversight responsibilities relating to the NSIA's accounting and financial reporting policies and practices, compliance programs, internal controls and general compliance with applicable laws and regulations.

B. General

1. The Audit Committee shall have unrestricted access to the NSIA's records and personnel and shall be provided with resources necessary to discharge its responsibilities;
2. In carrying out the Audit Committee's responsibilities, each member of the Audit Committee shall be entitled to rely, in good faith, on information, opinions, reports or statements, including financial statements and other financial data that are prepared and presented by persons who the Audit Committee member reasonably believes to be reliable and competent in the matters presented, which persons may include, as applicable: (1) one or more executive staff of the NSIA or other members of management; (2) legal counsel, public accountants or other persons as to matters within the person's professional or expert competence; or (3) another committee of the Board;
3. The Audit Committee's function is oversight. Management is responsible for maintaining appropriate systems for accounting and internal control over financial reporting and for the preparation of the NSIA's financial statements. The Independent Auditor is responsible for planning and carrying out a proper audit. The Independent Auditor shall report directly to the Audit Committee and is ultimately accountable to the Board and the Audit Committee

C. Responsibilities

a. *Independent Auditor*

The Audit Committee shall:

1. Approve and recommend to the Board the appointment of the Independent Auditor and, if the Audit Committee deems it appropriate, recommend to the Board the termination of the Independent Auditor;
2. Approve the fees, scope of work and other terms of the audit engagement;
3. Review the performance of the Independent Auditor and, at such times as the Audit Committee deems appropriate, consider the desirability of replacing the current Independent Auditor with a different independent registered public accounting firm;
4. Evaluate the independence of the Independent Auditor
 - i. Review at least annually a written report from the Independent Auditor describing the relationships between the Independent Auditor and the NSIA, its management or any affiliate, which report shall include all disclosures required of the Independent Auditor under applicable rules and regulations as well as the amount and nature of all compensation relating to such relationships
 - ii. Review with the Independent Auditor any disclosed relationships or services that may affect the objectivity and independence of the Independent Auditor and take or recommend the Board takes appropriate action to ensure independence of the Independent Auditor.
5. Review information and reports provided by the Independent Auditor with respect to the following and, as the Audit Committee deems appropriate, discuss with the Independent Auditor:
 - i. Any matters of importance or significant concern relating to the NSIA's financial statements;
 - ii. The results of the audit(s) conducted by the Independent Auditor;
 - iii. Any difficulties encountered by the Independent Auditor in the course of conducting the audit(s).
 - iv. Any restrictions by the NSIA's management on the scope of the Independent

- Auditor's activities or access to requested information
- v. Any disagreements between the Independent Auditor and the NSIA's management regarding financial reporting or other matters
 - vi. Any adjustments to the financial statements recommended by the Independent Auditor.
 - vii. The NSIA's significant accounting policies followed when preparing the financial statements
 - viii. Any discussions with management regarding alternative accounting treatments
 - ix. Changes in the NSIA's critical accounting policies and practices used when preparing the financial statements
 - x. The effect on the NSIA of any changes in accounting principles or practices proposed by the Independent Auditor and any other matters that may have a material effect on the NSIA's financial statements
 - xi. Any material, written communications between the Independent Auditor and the NSIA's management, including management letters
 - xii. Any material changes to the NSIA's disclosure controls and procedures
 - xiii. Any matters relating to the adequacy and effectiveness of internal controls with respect to the NSIA
 - xiv. The Independent Auditor's attestation to and report on management's assessment of the effectiveness of the NSIA's internal controls for financial reporting
 - xv. Any concerns relating to the quality of the NSIA's financial, accounting, compliance and internal audit personnel and other members of management having an impact on internal accounting controls or financial reports
 - xvi. Significant new or revised accounting and financial reporting standards under consideration or adopted by professional or regulatory bodies
 - xvii. An annual report describing: (1) the Independent Auditor's quality control policies and procedures; and (2) any material issues raised by any internal quality control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, including any remedial measures, and discuss the impact of the matters addressed in such report on the quality of services performed by the Independent Auditor
 - xviii. Any other required communications from the Independent Auditor

b. *Internal Audit*

The Audit Committee shall review information and reports from the Head, Internal Audit with respect to the following and, as the Audit Committee deems appropriate, discuss with the Board:

1. The Finance team's responsibilities, staffing and annual audit plan, including any subsequent changes, as they pertain to the NSIA's activities, and reasonable assurance that the Finance team's resources are sufficient to conduct thorough and effective internal audits;
2. Audits executed pertaining to the NSIA's activities, including any difficulties the Finance team encountered in the course of its audits, any restrictions on the scope of its work or access to required information, and any significant issues discussed or significant disagreements with management

c. *Accounting and Financial Reporting Policies and Practices*

The Audit Committee shall review information and reports provided by NSIA management and/or the Independent Auditor with respect to the following and, as the Audit Committee deems appropriate, discuss with senior management and/or the Independent Auditor:

1. Any significant estimates and judgments or, as appropriate, significant changes in estimates and judgments made in management's preparation of the financial statements
2. Any question as to whether reviewed reports comply with relevant accounting standards
3. If applicable, (a) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the NSIA's ability to record, process, summarize, and report financial information, and (b) any fraud, whether or not material, that involves the NSIA's management or other employees who have a significant role in the NSIA's internal control over financial reporting, each of which must be disclosed to the Audit Committee

d. *Compliance Program*

The Audit Committee shall review information and reports provided by the NSIA's Chief Risk Officer ("CRO") and its Chief Legal Officer ("CLO") with respect to the following and, as the Audit Committee deems appropriate, discuss with the NSIA's CRO and CLO:

1. The administration of the NSIA's compliance program and such other matters relating to the NSIA's compliance program, as the Audit Committee may deem appropriate

e. Legal and General Matters

The Audit Committee shall:

1. Review with the Chief Legal Officer ("CLO") any legal matter which the Audit Committee has been advised could have a significant impact on the NSIA's financial statements
2. Review and discuss, as applicable, any reports presented by the NSIA's management on potential management employee conflicts of interest and on controls to address any such potential conflict
3. Review procedures for: (i) the receipt, retention and treatment of any complaints received by the NSIA or the NSIA's service providers regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the NSIA or the NSIA's service providers of any concerns regarding questionable accounting or auditing matters
4. Review a summary of the NSIA-related complaints regarding accounting, internal accounting controls or auditing matters and reports on the current status and resolution of those complaints
5. Investigate any improprieties or suspected improprieties in the NSIA's financial operations, any matter brought to the Audit Committee's attention within the scope of the Audit Committee's duties, functions and responsibilities or any other significant matters as deemed warranted by the Audit Committee

D. Membership and Organization

1. The Audit Committee shall consist of at least three members, all of whom shall be Non-Executive Directors.

2. The Committee shall be constituted of members of the Board
3. Committee members should aim to serve for a term of at least three years
4. The Board may appoint members for a period shorter than one year to fill vacancies
5. Members of the Audit Committee, including the Chair, shall be appointed by the Board
6. Audit Committee members shall serve until their successors are elected or their earlier resignation or removal. Any member of the Audit Committee may be removed or replaced, for any reason at any time, by a majority vote of the Board
7. The Audit Committee shall review and reassess this Charter as it deems appropriate; however, changes will only be made following approval of the Board

E. Meetings

1. The Audit Committee shall meet at least four times per year;
2. A majority of members of the Committee shall constitute a quorum;
3. A majority of the members present shall decide any question brought before the Audit Committee;
4. The Audit Committee shall meet at least annually in an executive session with the Internal Auditor;
5. The Audit Committee shall meet at least annually in an executive session with the Independent Auditor;
6. The Audit Committee shall have the right, upon request, to meet privately, in a separate executive session, with any other person as desired by the Audit Committee. The Audit Committee may also request that any such person meet with any member(s) of, or consultant(s) to, the Audit Committee;

7. The Audit Committee shall inform the Board of the significant actions taken or issues discussed at its meetings and otherwise report to the Board as the Audit Committee deems (or the Chair of the Audit Committee deems) desirable and appropriate;
8. The Audit Committee shall keep minutes of its meetings and regularly submit approved minutes of its meetings to the Board

F. Advisors

1. The Audit Committee shall have the authority to retain such independent accountants, lawyers, consultants or other advisors as it deems appropriate to assist and advise the Audit Committee in connection with its responsibilities or any investigations.

G. Audit Committees' Self-Evaluation

The Audit Committee shall perform a self-evaluation annually and report on its evaluation to the Board.