

PME AFRICAN INFRASTRUCTURE OPPORTUNITIES PLC
(“the Company”)

Terms of Reference of the Audit Committee

- 1.1 Membership
 - 1.1.1 Members of the Audit Committee shall be appointed by the Board.
 - 1.1.2 The Audit Committee must comprise of a minimum of two members from amongst the Directors of the Company.
 - 1.1.3 One of the members of the Audit Committee shall be an independent director with recent and relevant financial experience.
- 1.2 Chairman
 - 1.2.1 The Board shall appoint the chairman of the Audit Committee. The chairman must be an independent Director. The chairman has the responsibility of liaising with the Board.
 - 1.2.2 The chairman shall chair the meetings of the Audit Committee.
 - 1.2.3 In the absence of the chairman of the Audit Committee, the remaining members present shall elect one of themselves to chair the meetings of the Audit Committee.
- 1.3 Secretary
 - 1.3.1 The Company Secretary or his/her delegate shall be the secretary of the Audit Committee.
 - 1.3.2 The secretary of the Audit Committee or his/her delegate shall attend meetings of the Audit Committee to take minutes.
 - 1.3.3 In the absence of the secretary of the Audit Committee, the members present at the meeting of the Audit Committee shall elect another person as the secretary.
- 1.4 Quorum
 - 1.4.1 The quorum necessary for the transaction of business of the Audit Committee shall be two members.
 - 1.4.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Audit Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Audit Committee in which he/she and/or his/her associates have a material interest.
 - 1.4.3 A duly convened meeting of the Audit 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 Audit Committee.

1.5 Frequency of meetings

- 1.5.1 The Audit Committee shall meet at least twice a year and at such other times as the Chairman of the Audit Committee shall require.
- 1.5.2 Any member of the Audit Committee, the internal auditors or the external auditors may request a meeting if they consider that one is necessary.

1.6 Attendance at meetings

- 1.6.1 Members of the Audit Committee may attend meetings of the Audit Committee either in person or through other electronic means of communication.
- 1.6.2 Should any member of the Audit Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the Audit Committee.
- 1.6.3 Other than members of the Audit Committee, the finance director, the head of internal audit, and a representative of the external auditors shall normally attend meetings along with the members of the Audit Committee.

1.7 Notice of meetings

- 1.7.1 Meetings of the Audit Committee shall be summoned by the secretary of the Audit Committee at the request of any of its members.
- 1.7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Audit Committee, and to any other person required to attend within a reasonable time prior to the date of the meeting. Supporting papers shall be sent to Audit Committee members and to other attendees as appropriate, within a reasonable time prior to the date of the meeting.
- 1.7.3 Any member of the Audit Committee shall be entitled, by notice to the secretary of the Audit Committee, to include other matters relevant to the functions of the Audit Committee in the agenda of an Audit Committee meeting.

1.8 Minutes of meetings

- 1.8.1 The secretary of the Audit Committee (or his/her delegate) in attendance at the meetings of the Audit Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Audit Committee and/or dissenting views expressed.
- 1.8.2 Draft and final versions of minutes of the Audit meetings shall be sent to all Audit Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Audit Committee shall circulate the minutes, and reports of the Audit Committee, to all members of the Audit Committee and to all members of the Board.
- 1.8.3 Minutes of the Audit Committee meetings shall be kept by the secretary of the Audit Committee and shall be available for inspection by any member of the Audit Committee or Director at any reasonable time on reasonable notice.

1.9 Annual General Meeting

1.9.1 The chairman of the Audit Committee shall if deemed necessary attend the AGM of the Company and be prepared to respond to any Shareholder questions on the Audit Committee's activities.

1.10 Duties

1.10.1 The Audit Committee shall be responsible for:

- (a) monitoring in discussion with the auditors the integrity of the financial statements of the Company, and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;
- (b) reviewing the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the Board itself, to review the Company's internal control and risk management systems;
- (c) monitoring and reviewing the effectiveness of the Company's internal audit function and, where there is no internal audit function, considering annually whether there is a need for an internal audit function and making a recommendation to the Board;
- (d) making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- (e) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and other relevant professional and regulatory requirements;
- (f) developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; and
- (g) reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action.

1.11 Reporting responsibilities

1.11.1 The chairman of the Audit Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.

1.11.2 The Audit Committee shall compile a report to Shareholders on its role and activities to be included in the Company's Corporate Governance Report.

1.12 Other Responsibilities

- 1.12.1 The Audit Committee shall have access to sufficient resources in order to discharge its duties. In the event that the Audit Committee determines that it has insufficient resources, it may make a request for additional resources to the Board. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
 - 1.12.2 All members of the Audit Committee shall have access to the advice and services of the secretary of the Audit Committee with a view to ensuring that procedures of the Audit Committee and all applicable rules and regulations are followed.
 - 1.12.3 In the event that the Audit Committee or any member of the Audit Committee requires access to independent professional advice in connection with its/his/her duties, a request may be made to the Company. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense (as set out in Chapter 5 of this Handbook).
 - 1.12.4 Every member of the Audit Committee shall give sufficient time and attention to his/her duties as a member of the Audit Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
 - 1.12.5 The Audit Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 1.13 Authority
- 1.13.1 The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee and all employees are directed to co-operate with any reasonable request made by the Audit Committee.