

Audit, Risk and Compliance Committee Terms of Reference

Atlas Mara Limited

(The "COMPANY")

Amendments approved by the Board on 22 March 2016

1. OVERVIEW

- 1.1 The primary objective of the committee is to assist the Board (defined below) in overseeing the systems of internal control, external financial reporting and compliance policies and procedures across the Company and the Company's subsidiaries (together, the "Group") and to provide oversight and advice to the Board in respect of the Group's risk appetite, risk monitoring, capital management and compliance requirements. Further, the committee is to provide oversight and advice to the Board on current risk exposures and future risk strategy, and to assist the Board in monitoring and reviewing the effectiveness of the credit and risk functions in the context of Company's overall risk management framework and in maintaining appropriate compliance policies and procedures such that the company will remain compliant with all legal and regulatory requirements applicable to it across all jurisdictions. The committee supplements the Board to foster a culture within the Group that emphasizes and demonstrates the benefits of a risk-based approach to internal control and management of the Group.
- 1.2 The committee performs its role by ensuring that:
- 1.2.1 With regard to Audit:
 - 1.2.1.1 the external and internal audit arrangements are appropriate and effective; and
 - 1.2.1.2 the annual report and accounts, interim report and accounts, related internal control disclosures and any other publically available financial information are reviewed and scrutinized.
 - 1.2.2 With regard to Risk Management:
 - 1.2.2.1 the Group establishes appropriate methods for measuring risk appetite and positions;
 - 1.2.2.2 the Group's key risks are identified and monitored and steps are taken by management to mitigate them;
 - 1.2.2.3 due consideration is given to all significant matters relating to governance, control, regulatory and compliance issues and any other applicable rules and legislation as appropriate;
 - 1.2.2.4 the Group's risk framework is fit for purpose and continuously refined to meet the evolving needs of the Group and the regulatory environment within which it operates;

- 1.2.2.5 adequate capital is maintained for the Group's key risk exposures, both to ensure regulatory compliance and the achievement of its strategic objectives;
 - 1.2.2.6 the Group's current and proposed activities are reviewed against its risk appetite and capital budget; and
 - 1.2.2.7 fraud prevention and whistleblowing arrangements are established which minimise potential for fraud and financial impropriety.
- 1.2.3 With regard to compliance:
- 1.2.3.1 the Group's compliance policies, procedures, programmes, and controls are appropriate and effective.
- 1.2.4 reports of the [audit, risk and compliance committees] (or analogous committees) of the Company's subsidiaries will be provided to the committee and recommendations made and advice given with respect to [audit, risk management, adequacy of controls and compliance].
- 1.3 For the purposes of these Terms of Reference:
- 1.3.1 **"Group Policies"** shall mean the written compliance policies, procedures, programs and controls of the Group, in effect from time-to-time.
 - 1.3.2 **"Material Compliance Matters"** shall mean any compliance matter about which the Board of Directors would reasonably need to know to oversee Group compliance, which involves, but is not limited to (i) the violation of laws or regulations, across jurisdiction, by the Group, (ii) a violation of Group Policies or; (iii) a weakness in the design of the Group Policies and operational controls.

2. **MEMBERSHIP**

- 2.1 The committee shall comprise at least three members. Members of the committee shall be appointed by the Board of the Company (the **"Board"**), on the recommendation of the nomination committee, in consultation with the chairman of the audit, risk, and compliance committee.
- 2.2 All members of the committee shall be independent non-executive directors. The chairman of the Board may be a member of the committee, provided he or she was independent on appointment as chairman. At least one member shall have recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies. At least one member shall have significant, recent and relevant experience of financial services risk issues. The chairman of the Board shall not chair the committee.
- 2.3 Only members of the committee have the right to attend committee meetings. However, the head of internal audit, external audit, the chief risk officer (**"CRO"**), the chief financial officer (**"CFO"**) and the general counsel & chief compliance officer will be invited to attend meetings of the committee on a regular basis when the committee is exercising its audit and risk functions. Other non-members such as (but not limited to) the chief executive officer and other members

of the Board and external advisers from time to time, may be invited to attend all or part of any meeting, as and when appropriate and necessary.

- 2.4 Appointments to the committee shall be for a period of up to three years extendable by an additional three year period. Any extension beyond the two three year terms shall be subject to shareholder approval.
- 2.5 The Board shall appoint the committee chairman. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.6 All committee members should meet predetermined skills, competency and experience requirements and keep up to date with developments affecting the required skill set.
- 2.7 The chairman and the members of the audit, risk and compliance committee should be identified in the Company's annual report.

3. **SECRETARY**

The Company secretary, or his or her nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

4. **QUORUM**

- 4.1 The quorum necessary for the transaction of business shall be two 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.
- 4.2 Where deemed appropriate by the committee chairman, meetings of the committee may be held telephonically or any other means whereby the participants are able to communicate effectively with each other.

5. **FREQUENCY OF MEETINGS**

- 5.1 The committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle, and otherwise as required.
- 5.2 Outside of the formal meeting programme, the committee chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board chairman, the chief executive, the CFO, the external audit lead partner, the General Counsel & Chief Compliance Officer and head of internal audit.

6. **NOTICE OF MEETINGS**

- 6.1 Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members or at the request of the external audit lead partner, CFO, CRO, or General Counsel & Chief Compliance Officer, and head internal audit.

6.2 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 committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

7. **MINUTES OF MEETINGS**

7.1 The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.

7.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the committee chairman.

8. **ANNUAL GENERAL MEETING**

The committee chairman should attend the annual general meeting to answer shareholder questions on the committee's activities.

9. **DUTIES WITH RESPECT TO THE AUDIT FUNCTION**

The committee should carry out the duties below for the Group as a whole.

9.1 Financial reporting

9.1.1 The committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, prospectuses, trading updates, interim management statements, and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.

9.1.2 In particular, the committee shall review and challenge where necessary:

- (a) the consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company or Group;
- (b) the methods used to account for significant or unusual transactions where different approaches are possible;
- (c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (d) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and

- (e) all material information presented with the financial statements, such as the business review and the corporate governance statements relating to audit and risk management.

9.1.3 Where the committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

9.2 Narrative reporting

Where requested by the Board, the committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

10. Internal Audit

The committee shall:

- 10.1.1 approve the appointment or termination of appointment of the head of internal audit, or the relevant outsourcing partner if the audit, risk and compliance committee determines that the internal audit function should be outsourced;
- 10.1.2 review and approve the charter of the internal audit function and ensure that the internal audit function has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors. The committee shall also ensure that the internal audit function has adequate standing and is free from management or other restrictions;
- 10.1.3 ensure the internal auditor has direct access to the Board chairman and to the committee chairman, and is accountable to the committee;
- 10.1.4 review and assess the annual internal audit work plan;
- 10.1.5 receive a report on the results of the internal auditor's work on a periodic basis;
- 10.1.6 review and monitor management's responsiveness to the internal auditor's findings and recommendations;
- 10.1.7 meet with the head of internal audit at least once a year without the presence of management;
- 10.1.8 monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system; and
- 10.1.9 ensure that the internal audit function is subject to an independent quality review as and when the committee deems it appropriate.

10.2 External Audit

The committee shall:

- 10.2.1 consider and make recommendations to the Board, to be put to shareholders for approval at the Company's annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- 10.2.2 oversee the selection process for a new auditor and if an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 10.2.3 ensure that at least once every five years the audit services contract is put out to tender to enable the committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
- 10.2.4 oversee the relationship with the external auditor including (but not limited to):
 - (a) recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - (b) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - (c) assessing annually their independence and objectivity taking into account all relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (d) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - (e) ensuring that any consultancy or work contracted with the external auditor's firm will not have any material impact on the auditor's independence;
 - (f) agreeing with the Board a policy on the employment of former employees of the Company's auditor, and monitoring the implementation of this policy;
 - (g) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - (h) assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;

- (i) seeking to ensure co-ordination with the activities of the internal audit function; and
 - (j) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation.
- 10.2.5 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage and at least one month before the Board meets to approve the financial statements. The committee shall also meet at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
- 10.2.6 review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 10.2.7 review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
- (a) a discussion of any major issues which arose during the audit;
 - (b) key accounting and audit judgements;
 - (c) levels of errors identified during the audit; and
 - (d) the effectiveness of the audit process.

The committee shall also:

- 10.2.8 review any representation letters requested by the external auditor before they are signed by management;
- 10.2.9 review any management letters and management's response to the auditor's findings and recommendations;
- 10.2.10 develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter;
- 10.3 Budgetary and administrative affairs
- 10.3.1 ensure that the budgetary, staff and administrative resources of the Company are efficiently directed towards achieving Company goals. The committee shall provide guidance to the Board and executive management on preparation of the Company's annual budget and business plans. The committee may consider and make recommendations regarding any issues and policies with significant budget impact;

- 10.3.2 monitor efficiency, cost control and budgetary prudence throughout the Company through review of periodic reports on performance, including operational performance; organizational performance; and, administrative and capital expenditures;
 - 10.3.3 review relevant instruments for the measurement of corporate performance, such as financial reports, performance appraisals, and principles of planning and budgeting;
 - 10.3.4 supervise the Company's general administrative arrangements, including those relating to managing fixed assets in use by the Company; and
 - 10.3.5 review matters related to business continuity planning.
- 10.4 Finance and operations
- 10.4.1 review and oversee the Company's financial policies in general and consider any policy modifications;
 - 10.4.2 monitor and review the Company's treasury operations and liquidity policies bearing in mind financial performance, market developments, funding experience and client risk management;
 - 10.4.3 review and oversee the Company's operational policies relating to business operations and monitoring procedures pertaining to operations;
 - 10.4.4 monitor and advise on the Company's investment strategies; and
 - 10.4.5 oversee transparency and accountability with respect to the Company's operations within the framework of the Company's policies and regulatory universe and its desire to communicate clearly and effectively with all stakeholders.

11. **DUTIES WITH RESPECT TO THE RISK FUNCTION**

11.1 Internal controls and risk management

The committee shall:

- 11.1.1 advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities in the countries in which the Group operates and other authoritative sources that may be relevant for the Company's risk policies;
- 11.1.2 oversee, and advise the Board on, the current risk exposures of the Company and future risk strategy;
- 11.1.3 in relation to risk assessment:
 - (a) keep under review the Company's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;

- (b) review regularly and approve the parameters used in these measures and the methodology adopted; and
 - (c) set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance,
- 11.1.4 review the Company's capability to identify and manage new risk types;
- 11.1.5 review the Group's credit risk, market risk, interest rate risk, liquidity risk, legal and regulatory risk and operational risk exposures by reference to the Group's risk appetite and capital adequacy. To include, but not limited to:
- (a) Reviewing the Enterprise Risk Management Framework ("**ERM Framework**") by which the Group's existing and forecast risk positions and the resulting capital absorption are calculated and monitored;
 - (b) Monitoring on an on-going basis the Group's actual and forecast risk and regulatory capital positions;
 - (c) Recommending for full Board consideration changes to capital utilisation, including utilisation of any spare capital available to the Group, or raising of additional capital as required;
 - (d) Reviewing the ERM Framework by which the Group's existing and forecast liquidity risk position and liquid assets are calculated and monitored; and
 - (e) Monitoring on an on-going basis the Group's actual and forecast liquidity position,
- 11.1.6 ensure, before a decision to proceed on proposed strategic transactions including acquisitions or disposals is taken by the Board, that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available;
- 11.1.7 review reports on any material breaches of risk limits and the adequacy of proposed action;
- 11.1.8 keep under review the effectiveness of the Company's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
- 11.1.9 review the Company's procedures for detecting fraud;
- 11.1.10 review the Company's procedures for the prevention of bribery;
- 11.1.11 consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The

committee shall also ensure the function has adequate independence and is free from management and other restrictions;

11.1.12 recommend to the Board the appointment and/or removal of the CRO;

11.1.13 review promptly all reports on the Company from the CRO;

11.1.14 be entitled to ask for and receive periodic reports from the CRO and General Counsel & Chief Compliance Officer on any significant deficiencies in the design or operation of internal controls and the adequacy of such controls for the purpose of identifying or uncovering any material compliance failure. The committee shall review promptly all such reports.

11.1.15 review and monitor management's responsiveness to the findings and recommendations of the CRO;

11.1.16 ensure the CRO shall be given the right of unfettered direct access to the chairman of the Board and to the committee;

11.1.17 work and liaise as necessary with all other Board committees;

11.1.18 ensure that the assurance coverage obtained from the Company's executive directors, internal assurance providers and external assurance providers is applied to provide a co-ordinated approach with regard to risk management;

11.1.19 review and advise the Board on the status, the ability to perform duties independently and performance of the Company's compliance, internal audit, evaluation and risk management functions; and

11.1.20 maintain open lines of communication between the Board and the Company's risk management, internal and external auditors and compliance officers.

11.2 Whistleblowing and Fraud Detection

The committee shall:

11.2.1 review the adequacy and security of the Company's arrangements for its employees, contractors or third parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

11.2.2 review the Company's procedures for detecting fraud;

11.2.3 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;

11.2.4 review the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and

- 11.2.5 review adequacy of measures with respect to screening for sanctions.
- 11.3 Carry out any other responsibilities that the Board may assign the committee from time to time.
- 12. **DUTIES WITH RESPECT TO THE COMPLIANCE FUNCTION**
- 12.1 The committee should carry out the duties detailed below for the Company.
- 12.2 The committee shall:
 - 12.2.1 ensure that the Company develops, maintains, and effectively implements appropriate policies and procedures relating to good governance, adherence to ethics and prudent business practices, following best international banking standards and practice, such that the Company will remain compliant with all regulations applicable to it across all jurisdictions;
 - 12.2.2 ensure that the committee, the Board, and management of the Company set an appropriate Tone at the Top so that (i) all employees understand the importance of effective compliance programs, (ii) all relevant employees receive relevant compliance training and refresher courses, and (iii) a strong and sustainable compliance culture is created wherein accountability and adherence to the spirit and letter of relevant laws and Company policies is both expected and accepted.
 - 12.2.3 consider and make recommendations to the Board regarding the adoption of any material amendment to the existing Company Policies, the adoption of any Company Policies not previously adopted by the Board and the termination of any Company Policies;
 - 12.2.4 review the on-going appropriateness, effectiveness, and relevance of the Company Policies;
 - 12.2.5 receive quarterly, and if necessary more frequent, reports from the General Counsel & Chief Compliance Officer on (i) the number and types of suspicious activity reports received internally, (ii) those reports that were reported externally to the relevant regulator, (iii) any subsequent activity or follow-up actions taken by the regulator with respect to those suspicious activity reports, and (iv) any other relevant information with respect to key trends related to suspicious activity identification, monitoring, and reporting;
 - 12.2.6 receive annual, or if necessary more frequent, written reports from the Company's General Counsel & Chief Compliance Officer on (i) the operation of the Company Policies, including relevant results of any internal audit reports, (ii) any material changes made to such Policies since the date of the last report, (iii) any material changes recommended as a result of an annual review by the Company of the adequacy of the Company Policies and the effectiveness of their implementation, and (iv) any material compliance matter about which the Board reasonably needs to be informed in order to have effective oversight over the Company;

- 12.2.7 receive annual, and if necessary more frequent, reports from the General Counsel & Chief Compliance Officer summarizing the number of compliance trainings successfully completed by new and existing employees;
- 12.2.8 review material compliance matters and other serious compliance issues that are reported to the Committee and take such action as the Committee deems necessary or appropriate;
- 12.2.9 investigate or cause to be investigated any matter brought to its attention within the scope of its duties; in the course of such investigation the Committee may (i) meet with the Company's General Counsel & Chief Compliance Officer and with such management, audit, internal compliance personnel or external advisors as the Committee deems appropriate, and (ii) recommend to the Board any response or resulting actions deemed appropriate, including disciplinary action with respect to employees;
- 12.2.10 maintain the materials relating to the performance of its responsibilities under this charter as may be prescribed by applicable regulations;
- 12.2.11 work and liaise as necessary with all other Board committees.

13. **REPORTING RESPONSIBILITIES**

- 13.1 The committee chairman shall report formally to the Board on the committee's proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 13.2 With respect to its Audit function, the report shall include the following:
 - 13.2.1 the significant issues that it considered in relation to the financial statements (required under paragraph 9.1.1) and how these were addressed;
 - 13.2.2 its assessment of the effectiveness of the external audit process (required under paragraph 10.2) and its recommendation on the appointment or reappointment of the external auditor;
 - 13.2.3 an annual review of the effectiveness of the internal audit process, including the Company's adherence to financial and operational requirements; and
 - 13.2.4 any other audit issues on which the Board has requested the committee's opinion.
- 13.3 With respect to its Risk Management function, the report shall include the following:
 - 13.3.1 identification of all matters which require action or improvement in relation to the effectiveness of the Group's risk management policies and procedures, including any recommendations on the steps to be taken;
 - 13.3.2 an annual review of the effectiveness of Group's Risk Management function, and the Company's adherence to its internal risk management policies and external regulations on the same; and

- 13.3.3 any other risk management issues on which the Board has requested the committee's opinion.
- 13.4 With respect to its Compliance function, the report shall include the following:
 - 13.4.1 identification of all matters which require action or improvement in relation to the effectiveness of the Group's compliance policies and procedures, including any recommendations on the steps to be taken;
 - 13.4.2 an annual review of the effectiveness of Group's Compliance function, and the Company's adherence to its internal risk management policies and external regulations on the same;
 - 13.4.3 any other compliance issues on which the Board has requested the committee's opinion; and
 - 13.4.4 a statement on the Group's compliance with laws, regulations and policies, which statement shall also be included in the Group's annual report.
- 13.5 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and may also report on all other information requirements set out in the UK Corporate Governance Code relevant to its functions.
- 13.6 In compiling the reports referred to in this paragraph 13, the committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

14. **OTHER MATTERS**

- 14.1 The committee shall:
 - 14.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
 - 14.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
 - 14.1.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
 - 14.1.4 be responsible for co-ordination of the internal and external auditors;
 - 14.1.5 oversee any investigation of activities which are within its terms of reference; and

14.1.6 work and liaise as necessary with all other Board committees.

15. **AUTHORITY**

15.1 The committee is authorised by the Board to obtain outside legal or other professional advice on any matters within its terms of reference. Any such appointment shall be made through the General Counsel, who shall be responsible for the contractual arrangements and payment of fees by the Company on behalf of the committee.

15.2 The committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and to request the attendance of any employee at a meeting of the committee as and when required.

15.3 The committee is authorised to perform each of the specific duties and undertake each of the reporting responsibilities contained in these terms of reference and has the power to delegate authority to any sub-committees or individuals, as it deems appropriate.

15.4 The committee is authorised to publish in the Company's annual report details of any issues that cannot be resolved between the committee and the Board.

16. **AMENDMENTS TO THE TERMS OF REFERENCE**

The committee shall review its terms of reference on an annual basis to ensure that it is operating with maximum effectiveness and may recommend any changes it considers necessary to the Board for approval.

End