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**Marera Investment Group**

**Audit Committee Charter**

*Adopted by the Board of Directors*

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## Marera Investment Group

### Audit Committee Charter

#### Section 1 INTRODUCTION

This Audit Committee Charter regulates business and operations of the company Marera Investment Group. Marera Investment Group Limited is a private limited company incorporated and validly existing under the laws of the Republic of Cyprus, under registration number HE 384873.

Marera Investment Group means and applies to Marera Investment Group Limited and to all its Subsidiaries, Affiliates, Consultants, Joint ventures, and its other business vehicles and their subsidiaries, as well as on Marera Asset Management (Hereinafter referred to as: "**MIG**").

Investment Procedures and Operating Policies of the MIG were adopted at Nicosia, Cyprus on 01th January 2019 by the Board of Directors of Marera Investment Group Limited (Hereinafter referred to as: "**IPOP**"), and this Charter is its further status development.

The MIG is a business entity engaged in a business activity established in the IPOP for the purpose of profit generation. In its business operations the MIG shall provide special dedication and best care to Banks, Bondholders, Investors and other Creditors.

In that sense, the MIG holds and administers the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the MIG or to which the MIG is otherwise entitled, all rents, income, profits and gains therefrom for the use and benefit of the shareholder, their successors, permitted assigns and personal representatives upon the MIG and subject to the terms and conditions declared in the IPOP and hereinafter declared and set forth.

The MIG is authorized to enter into the (Asset) Management Agreement with Asset Management Company, which contain such terms and conditions set out therein and such other terms as may be determined by the Board from time to time and, subject to oversight of the Board, delegating to Asset Management Company responsibility for the services set out therein (Hereinafter referred to as: "**AMC**") and has the meaning given thereto in Section 6 of the IPOP.

Code of Business Conduct and Ethics of Marera Investment Group (Hereinafter referred to as: "**Code**") shall be considered an integral part of this procedure and shall apply to all persons in connections with the IPOP.

## **Section 2      LEGAL STATUS AND PURPOSES**

### **2.1      Instrument of Incorporation**

This Audit Committee Charter (Hereinafter referred to as: "**ACC**") is adopted at Nicosia, Cyprus on 01th January 2019 by the Board of Directors of Marera Investment Group Limited.

This document is adopted on the basis of Memorandum and Articles of Association and Investment Procedures and Operating Policies (Hereinafter referred to as: "**IPOP**") of Marera Investment Group Limited and represents its further status development.

In the event that any provision of this ACC, as amended from time to time, conflicts with or contravenes any provision of the IPOP, such provision of the IPOP shall govern and nothing herein shall be construed as giving the Board members any powers or authority in addition to, or greater than, the power and authority established by the IPOP.

Definitions and Interpretation determined in IPOP shall have the same meaning in this ACC.

This ACC shall regulate Procedures, Policies, Objectives, Standards, Nominations and other matters of the Audit Committee.

This ACC shall be reviewed periodically to determine if modifications are necessary or desirable.

## **Section 3      COMPETENCE AND RESPONSIBILITY**

The Audit Committee is responsible for fulfilling the duties set out in the IPOP and these ACC, as well as duties specifically delegated to it from time to time by the Board of Directors (Hereinafter referred to as: "the **Board**").

The Audit Committee has authority for adopting Decisions and submission Proposals to The Board in accordance with the division of competencies defined by IPOP and this ACC, as well as the Charter of Authorities.

### **3.1      The Competence and Responsibility**

#### **3.1.1      Accounting Policies**

- (a)      Review significant accounting policies and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.
- (b)      Review major changes to accounting policies and practices.

- (c) Review with management and the external auditor implementation of changes or improvements in financial accounting or reporting practices.
- (d) Review management's process for ensuring that information contained in public disclosures is consistent with industry best practices.

### **3.1.2 Internal Controls and Risk Management**

- (a) Review interim and annual CEO and CFO account filings.
- (b) Review reports from management and the external auditors with regard to the reliability and effective operation of the accounting system and related internal controls.
- (c) Review risk management policies and procedures (i.e. hedging, insurance etc.).
- (d) Review management's policies for the protection of assets.
- (e) Review management's policies for the delegation of authority.
- (f) Review expense statements of the CEO, CFO and members of each Committee.
- (g) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with Management and the external auditors and assess whether recommendations made by the external auditors have been implemented by Management

### **3.1.3 Financial Reporting Process and Financial Statements**

- (a) Inquire as to the integrity of the financial reporting processes both internal and external and any major weaknesses in the system of internal control.
- (b) Review quarterly and annual financial statements with management including significant accounting and reporting matters, complex or unusual transactions, valuation of assets and liabilities, revenue recognition, and areas involving a high degree of judgment.
- (c) Review and discuss with management and external auditors quarterly and annual financial statements, Management's Discussion & Analysis, Annual Information Form and quarterly press releases and approve and recommend their approval by the Board.
- (d) Review and approve any other press releases that contain financial information and such other financial information of the fund provided to the public or any governmental body as the Committee requires.
- (e) Review recent professional and regulatory pronouncements and understand their impact on the financial statements.
- (f) Review with management and the external auditor any significant issues or concerns identified during the course of the audit, including both resolved and unresolved issues, critical accounting and audit judgments, misstatements whether adjusted or those that remain unadjusted and obtain explanations from management and the external auditor.
- (g) Review issues related to liquidity, capital resources and contingencies that could affect liquidity.

- (h) Review all hedging activities.
- (i) Review any off balance sheet transactions and transactions with related parties.
- (j) Review with the external auditor all matters required to be communicated to audit committees.
- (k) Review the impact of prospective changes in accounting policies prior to their adoption.
- (l) Satisfy itself that adequate procedures have been put in place by Management for the review of the MIG's public disclosure of financial information extracted or derived from the MIG's financial statements and the related Management's Discussion & Analysis.
- (m) Receive Management reports periodically assessing the adequacy and effectiveness of the MIG's disclosure controls and procedures.
- (n) Periodically consider the need for an internal audit function, if not present.
- (o) Review all material balance sheet issues, material contingent obligations and material related party transactions.
- (p) Review with Management and the external auditor the MIG's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the external auditor's preferred treatment and any other material communications with Management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

#### **3.1.4 Audit Process**

- (a) Be directly responsible for the selection, appointment, compensation, retention, termination, and oversight of the work of the external auditor. Monitor audit engagement partner rotation requirements.
- (b) Consider and assess the independence of the external auditor.
- (c) Advise the external auditor that he/she is required to report to the Committee, and not to Management.
- (d) Following completion of the annual audit and quarterly reviews, review separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (e) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audits, reviews or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (f) Where there are significant unsettled issues between Management and the external auditor that does not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed upon course of action leading to the resolution of such matters.

- (g) Review annually with the external auditor their plan for their audit and upon completion of the audit, their reports on financial statements, financial reporting framework and internal controls.
- (h) Review with external auditors their assessment of the internal controls of the fund, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses.
- (i) Meet separately with the external auditor to discuss any matters the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the Chair of the Committee when required
- (j) Conduct an external auditor evaluation on a periodic basis.
- (k) Approve audit fees paid to external auditor annually.
- (l) Review and discuss on an annual basis with the external auditor all significant relationships they have with the fund, Management or employees that might interfere with the independence of the external auditor.
- (m) Pre-approve all non-audit services to be provided.
- (n) Recommend appointment of external auditor to Board annually.
- (n) Consider the need for independent audits of operations or investments.
- (o) Consider the need for an internal audit process.
- (p) Review and approve hiring policies regarding employees and former employees of the present and former auditors.
- (q) Review the system in place to seek to ensure that the financial statements, Management's Discussion & Analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

### **3.1.5 Tax Compliance**

- (a) Review tax compliance to ensure tax regulations are sufficiently considered by management and that tax risks are managed.
- (b) Review report of CFO that all taxes collected have been remitted to authorities.
- (c) Obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the financial statements.
- (d) Assess compliance with laws and regulations.
- (e) Review the findings of any examinations by regulatory authorities.

### **3.1.6 Additional authority**

- (a) Review and reassess the adequacy of the Audit Committee's charter on an annual basis;

- (b) Engage independent counsel and other advisors as it determines necessary to carry out its duties at their expense without further approval of the Board. The Committee has the authority to set and pay compensation for any advisors it engages. The Committee also has the authority to communicate directly with the external auditors;
- (c) Perform any other activities as the Board deems necessary or appropriate.

## **3.2 Governance Matters**

To fulfill its duties and responsibilities, the Audit Committee shall:

### **3.2.1 Policies, Mandates and Charters**

- (a) review on an ongoing basis, and report to the Board at least annually on, the MIG's approach to governance, and recommend to the establishment from time to time of appropriate new governance policies and standards for the MIG to the Board;
- (b) at least annually, review and assess the mandate adopted by the Board and recommend any amendments;

### **3.2.2 Position Descriptions**

- (c) annually review the position descriptions of the Chair of the Audit Committee, Members of the Audit Committee and recommend any amendments;
- (d) evaluate whether necessary and appropriate committees exist to support the work of the Audit Committee and will make recommendations for the reorganization of responsibilities of the Audit Committee;

### **3.2.3 Ongoing Matters**

- (e) review and monitor compliance with regulatory rules, procedures or laws instituted by regulatory authorities having jurisdiction over the MIG, relating to corporate governance;
- (f) monitor relationships between the Audit Committee and the Board and/or other Committee, and recommend procedures to conduct more effective process, and a greater dynamic relationship;
- (g) be available as a forum for addressing the concerns of individual creditor, the Board member and shareholder;
- (h) work with each committee of the MIG and AMC to foster a healthy governance structure with the MIG;

- (i) propose an adequate external auditor to the board of directors;
- (j) help and cooperate with external auditor;

#### **3.2.4 Disclosure Document Review**

- (k) review and approve public disclosure related to governance contained in the annual management proxy circular or other disclosure documents and publications;

#### **3.2.5 Additional Governance Duties**

- (l) undertake such other initiatives as are necessary or desirable to provide effective governance for the MIG.

### **3.3 Evaluation**

The Audit Committee is responsible:

- (a) on an annual basis, review and propose the goals and objectives of the Audit Committee and deliver such assessment to the Board;
- (b) at least annually, the Board of Directors will review the Audit Committee to assess the effectiveness of the Audit Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the Board Mandate adopted by the Board of Directors.
- (c) at least annually, assess the effectiveness of the Audit Committee including (i) an assessment of the skills and experience of the Committee members as a whole and its committees in relation to the needs of the MIG and (ii) a review of the size of the Audit Committee in relation to the needs of the MIG, and deliver such assessment to the Board;
- (d) ensure annual completion and dissemination of the results of effectiveness questionnaires for Audit Committee and committee members, individual peer evaluations, and evaluation business and performance AMC, with mandatory recommendations and proposed measures;
- (e) at least annually, assess the effectiveness of the application of the Code of Business Conduct and Ethics and of Compliance Procedure including (i) an assessment of the skills and experience of The General Counsel and deliver such assessment to the Board;

## **Section 4 MEMBERSHIP AND MEETINGS**

### **4.1 Membership**

The Audit Committee shall be composed of a minimum of three to five members, all of whom will be "independent" and replaced or amended from time to time. All Audit Committee members shall be appointed annually by the Board. Each member of the Investment Committee shall serve until the member resigns, is removed, or ceases to be a member of the Audit Committee.

The size of the Audit Committee will be determined by a particular Board Decision. The same Decision will appoint members of the Audit Committee.

The Committee shall annually designate a Chair by majority vote of the full members. If, in any year, the Committee does not appoint a Chair of the Committee, the incumbent Chair of the Committee will continue in office until a successor is appointed.

Chair of the Committee must ensure that the Committee functions properly, that there is full participation during meetings, which all relevant matters are discussed and that effective decisions are made and carried out.

The role of a Chairperson is time consuming, with work between meetings, external representation of the organization, and work with staff.

The Audit Committee may appoint a Secretary, who shall be obliged to do administrative work for the Audit Committee, such as prepare and deliver materials for meetings, keep minutes of the meeting and other work as needed.

### **4.2 Meetings**

#### **Scheduling**

The Audit Committee shall meet at least quarterly (the meeting for the last quarter will serve as both a quarterly meeting and the annual meeting) or as many times per year as necessary to carry out its duties and responsibilities. Meetings for the first three quarters shall be held within up to 45 days from the end of each quarter, and the meeting for the last quarter of the year shall be held within up to 75 days from the last quarter.

A meeting of the Audit Committee may be called by the Chair of the Audit Committee, the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or any Investment Committee member. Notice shall be provided to all members of the Audit Committee, the Chairman of the Board and the Chief Executive Officer.

## **Agenda**

The Chair shall establish the agenda for each meeting of the Audit Committee with input from the Chief Executive Officer or other relevant Body or Person of the MIG. Any member may propose the inclusion of items on the agenda, request the presence of, or a report by, any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

The Chair shall distribute, or shall have the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed. Audit Committee members will be provided with at least three calendar days during which to review the materials presented to them so as to allow members sufficient time to adequately review and consider the matters to be discussed.

The Audit Committee may invite to a meeting any officer or employee of the MIG or AMC, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

## **Attendance and Participation**

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference. If adoption of a decision is urgent, that decision can be handled via email, without a formal meeting.

Members are obliged to attend regular meetings and when they are urgent. The meeting of the Committee for the last quarter shall be mandatory to be held in the presence of members in person.

Poor attendance by a member (an absence from more than one regularly scheduled Audit Committee meeting per year) will be considered by the Board of Directors in deciding whether to recommend such member to the Board of Directors for re-election as a Director and as a member of the Investment Committee.

## **Quorum**

Two thirds of the members of the Audit Committee shall constitute a quorum for any meeting of the Audit Committee.

The Investment Committee shall not be able to adopt a decision if, at the meeting, quorum of the Investment Committee is not present.

In the absence of the Chair of the Audit Committee at a meeting of the Audit Committee, the members in attendance must select one member to act as the Chair of the Audit Committee for that meeting.

## **Voting and Decision**

The Decision of the Audit Committee could be adopted if majority of the all members voted for that decision.

The Audit Committee shall maintain minutes or other records of meetings and activities of the Audit Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be included in the agenda of the next meeting.

The adopted decision at the meeting of the Audit Committee shall be made as a written document that will be signed by the Chair and shall be delivered to members and to all interested Bodies and Persons.

The Chair shall also report to the Board on all material matters considered by the Investment Committee at the first Board meeting after the Audit Committee's meeting. The Chair may report orally to the Audit Committee on any matter in his or her view requiring the immediate attention of the Audit Committee.

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those dictated by this procedure and the IPOP.

### **4.3 Removal and Vacancies**

Any member may be removed and replaced at any time by the Board of Directors, and as well, any member will automatically cease to be a member as soon as they cease to meet the qualifications set out in the IPOP. The Board of Directors will fill vacancies on the Audit Committee by appointment from among qualified members of the Board of Directors. If a vacancy exists on the Audit Committee, the remaining members will exercise all of its powers so long as a quorum is present.

### **4.4 Access to outside advisors and records**

The Committee shall have the authority to retain and terminate external consultants or other advisors at the expense of the MIG that it determines necessary to permit it to fulfill its responsibilities and to set the respective reasonable compensation of these advisors. The Committee shall inform the Board and Chief Executive Officer of the retention of an advisor, unless the Board of Directors determines that such disclosure is not appropriate.

The Audit Committee, and any outside advisor(s) retained by it, will have access to all records and information relating to the Fund and its subsidiaries and all their respective officers, employees and agents, which it deems relevant to the performance of its duties.

## **Section 5      GENERAL**

### **5.1      Application**

This Audit Committee Charter shall, unless otherwise specified, be applied on all Subsidiaries, Affiliates, Business vehicles, Joint ventures, the MIG's managers, and IPOP shall be incorporated into their Statutory, Memorandum of Association, Policies/Procedures/Directions and any other act.

### **5.2      Regulatory Matters**

If at any time a government or regulatory authority having jurisdiction over the MIG or any property of the MIG shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the MIG then in force, such guideline or operating policy in conflict shall, be deemed to have been amended to the extent necessary to resolve any such conflict. In that case, the MIG's competent body will, within the shortest possible time, make amendments to the ACC, in order to comply with the regulations in force.

### **5.3      Conflict of Interest**

Conflict of interest is regulated by IPOP and will be fully applicable to the Audit Committee and this procedure.

### **5.4      Manner of Giving Notice**

Manner of Giving Notice is regulated by IPOP and will be fully applicable to the Audit Committee and these procedures.

### **5.5      Severability**

The provisions of this ACC are severable. If any provision of this ACC shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this ACC in any jurisdiction.

### **5.6      Governing Law**

This ACC shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Republic of Cyprus and/or applicable laws therein and shall be treated in all respects. Any and all disputes arising

under this IPOP, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Republic of Cyprus.

If the Assets of the MIG through subsidiaries or through its property, are located in a country other than the Republic of Cyprus, they shall be governed by the law and courts of that country.

## **5.7 Tax**

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be replaced, renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act that have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, Marera Investment Group MIG Personnel may take such proposals into consideration and may apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

## **5.8 Entering into the force**

This Audit Committee Charter shall come into force on the day of their adoption.

This Audit Committee Charter was adopted at Nicosia, Cyprus on 01th January 2019 by the Board of Directors of Marera Investment Group Limited.

Chairman of the Board of Directors