



OS CAPITAL INVESTMENTS (PVT.) LTD

Term of Reference of Audit Committee



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INTRODUCTION

The Audit Committee is established by the Board of Directors of OS Capital Investments (Pvt.) Ltd. to assist in fulfilling its oversight responsibilities relating to financial reporting, internal control systems, audit processes, risk management, and compliance with legal and regulatory requirements.

OBJECTIVE

The objective of the committee is to ensure the integrity, accuracy, and transparency of the company's financial statements, promote accountability, and enhance the effectiveness of both internal and external audit functions. The committee also plays a vital role in fostering a culture of ethical financial management and sound corporate governance throughout the organization.

COMPOSITION

The Audit Committee shall comprise at least three members of the Board, with a majority being non-executive or independent directors to ensure impartiality and objectivity. The Chairperson of the committee shall be an independent director, and the Chief Financial Officer (CFO), Head of Internal Audit, and External Auditors shall attend meetings by invitation when required. The Company Secretary shall act as the Secretary to the committee and will be responsible for coordinating meetings, maintaining minutes, and ensuring proper documentation. Members shall possess adequate financial literacy, accounting knowledge, and relevant experience to effectively perform their duties.

MEETINGS AND AUTHORITIES

The Audit Committee shall meet at least four times a year, typically prior to the approval of quarterly and annual financial statements or more frequently if circumstances require. A quorum shall consist of the majority of members being present. The committee is authorized by the Board to investigate any matter within its scope of responsibility and shall have unrestricted access to company records, personnel, and external auditors. It is also empowered to seek external professional advice, at the company's expense, if deemed necessary for the effective discharge of its duties.



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REPORTING TO THE BOARD

The Chairperson of the Audit Committee shall report to the Board of Directors after each meeting, presenting key findings, recommendations, and any significant issues identified during the review. The committee's minutes and reports shall be circulated to all Board members for information and discussion. The committee shall also prepare an annual report summarizing its activities, conclusions, and the effectiveness of the company's audit and internal control systems, which will be included in the company's annual report to shareholders.

GENERAL RESPONSIBILITIES

The Audit Committee's key responsibilities include:

- I. Reviewing quarterly and annual financial statements to ensure accuracy, completeness, and compliance with applicable laws and accounting standards.
- II. Overseeing the independence, objectivity, and effectiveness of the external auditors.
- III. Recommending the appointment, reappointment, or removal of external auditors, including their remuneration and terms of engagement.
- IV. Approving and monitoring the internal audit plan and evaluating the performance of the internal audit function.
- V. Ensuring timely implementation of audit recommendations and corrective actions.
- VI. Reviewing the adequacy and effectiveness of the company's internal control systems and risk management framework.
- VII. Monitoring the company's compliance with regulatory requirements and corporate governance standards.
- VIII. Investigating any suspected cases of fraud, financial mismanagement, or irregularities, and ensuring appropriate action is taken.
- IX. Overseeing whistle-blowing mechanisms to encourage ethical reporting and protect whistle-blowers from retaliation.
- X. Ensuring the company maintains effective financial discipline and accountability across all operations.