



## JAMAICA PRODUCERS GROUP

### AUDIT COMMITTEE CHARTER

#### 1. Overall Purpose/Objectives

The Audit Committee will assist the Board in fulfilling its oversight responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management and the internal and external auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the detailed responsibilities of committee membership as well as the company's business, operations and risks.

#### 2. Authority

The Board authorizes the Audit Committee, within the scope of its responsibilities to:

- ◆ Seek any information it requires from:
  - Any employee. All employees are directed to cooperate with any request made by the Audit Committee;
  - External parties.
- ◆ Obtain outside legal or other professional advice;

- ◆ Ensure the attendance of company officers at meetings as appropriate.

#### 3. Responsibility

The Audit Committee shall:

- a. Review the annual financial statements and determine whether they are complete and consistent with the information known to committee members: assess whether the financial statements reflect appropriate accounting principles.
- b. Meet with management and the external auditors to review the financial statements and the results of the audit.
- c. Review the other sections of the interim and annual reports before they are released and consider whether the information is understandable and consistent with members' knowledge about the company and its operations.
- d. Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and internal and external auditors on whether:
  - Actual financial results for the interim period varied significantly from budgeted or projected results;

- Generally accepted accounting principles have been consistently applied;
  - There are any actual or proposed changes in accounting or financial reporting practices;
  - There are any significant or unusual events or transactions;
  - The company's financial and operating controls are functioning effectively;
  - The preliminary announcements and interim financial statements contain adequate and appropriate disclosures.
- e. Recommend the appointment of internal and external auditors.
- f. Review the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made, and to ensure the effectiveness of internal controls and risk management.
- g. Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- h. Perform other oversight functions as requested by the full Board.
- i. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- j. Review and update the charter; receive approval of changes from the Board.

- k. Evaluate the Committee's own performance on a regular basis.

#### MEMBERSHIP

- 1) The Audit Committee shall consist of no fewer than three (3) Independent<sup>1</sup>, Non-Executive Directors. A majority of the members of the Audit Committee shall be Independent Directors. The Audit Committee shall meet at least four (4) times per year.
- 2) The Chairman of the Audit Committee shall be an Independent Director appointed by the Board. The Board Chairman shall not be appointed Chairman of the Audit Committee.
- 3) A quorum for any meeting will be 3 members, 2 of which must be Independent members of the Board.
- 4) The Secretary of the Audit Committee will be the Company Secretary, or such other person as nominated by the Board.

BY ORDER OF THE BOARD.

  
 \_\_\_\_\_ Chairman  
 C. H. Johnston

August 13, 2021

<sup>1</sup> Independence of directors is determined based on criteria in JP's Corporate Governance Policy.

Version #	Board Approval Date	Date of Next Review
1	August 29, 2011	August 29, 2013
2	August 9, 2019	August 9, 2021
3	August 13, 2021	August 13, 2021