

# PROGRESSIVE EXTRACTIONS & EXPORTS LIMITED

## CORPORATE GOVERNANCE POLICY

### Audit Committee Charter

#### 1. Objectives

The objectives of the audit committee (the “committee”) of the Board of Directors (the “Board”) of Progressive Extraction & Exports Limited (the “Company”) is to assist the Board with oversight of (i) the accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures (ii) compliance with legal and regulatory requirements, (iii) the Company's independent auditors' qualifications and independence, and (iv) the performance of the Company's independent auditors and internal auditors (v) acquisitions and investments made by the Company

The role, responsibilities and powers of the committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

#### 2. Process

The committee fulfills its objective through the following process:

- i. Ensuring an effective and independent internal audit function which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company's assets, effective and efficient use of the Company's resources and, timely and accurate recording of all transactions.
- ii. Meeting the independent auditor at the end of each quarter and financial year to discuss key observations relating to the financial statement for the relevant period.
- iii. Providing an independent channel of communication for the Compliance Officer, internal auditor and the independent auditor.
- iv. Inviting members of the management, and at its discretion, external experts in legal, financial and technical matters, to provide advice and guidance.
- v. Providing periodic feedback and reports to the Board.
- vi. Meeting at least four times in a financial year or as specified under any other regulation
- vii. Periodically reviewing its own charter, structure, processes and membership.

#### 3. Powers

The audit committee shall have, inter alia, the following powers:

- i. To investigate any activity within its terms of reference.
- ii. To seek information from any employee.
- iii. To obtain external legal or other professional advice as required.
- iv. To institute special investigations into any matter provided in this charter or referred to it by the Board, with full access to the internal auditors, chairperson of the Board, management and the independent auditor, as well as all books, records, facilities and personnel of the Company.
- v. To secure attendance of the auditors, internal auditor, and the head of finance and of outsiders with relevant expertise.

#### 4.

**Responsibilities.** The committee shall have the following authority and responsibilities:

# PROGRESSIVE EXTRACTIONS & EXPORTS LIMITED

## CORPORATE GOVERNANCE POLICY

### 4.1

#### 4.1.1

#### **Relating to Financial Statements**

Reviewing with management and the independent auditor the annual audited/unaudited financial statements and the quarterly audited/unaudited financial statements, and recommendation to the Board for adoption and for filing annual reports with MCA and as per regulators including the Securities and Exchange Board of India (SEBI). Such review should primarily focus on:

- Any changes in accounting policies and practices
- Pre-approval/approval/disclosure of any related party transactions;
- Significant accounting entries based on judgment of the management
- Qualifications, if any, in draft audit report
- Matters required to be included in the director's responsibility statement to be included in the Board's report under Section 134 (3)(c) of the Companies Act, 2013
- Significant adjustments and/or provisions arising out of audit
- Compliance with accounting standards
- Compliance with stock exchange and other regulatory requirements concerning financial statements

#### 4.1.2

Reviewing the management discussion and analysis of financial condition and results of operations;

#### 4.1.3

Evaluation of internal financial controls. Oversight of the company's financial reporting process and disclosure of financial information to ensure that the financial statements are accurate, adequate and reliable.

\*\*\*\*\*