

**SOUTHWIRE COMPANY**  
**AUDIT COMMITTEE CHARTER**

**Purpose:**

By maintaining free and open communication with the Board of Directors (the “Board”), independent auditors, internal auditor, and management of the Company, the Audit Committee (the “Committee”) shall:

- Assist the Board in fulfilling its responsibility to Shareholders by providing oversight of the quality and integrity of the company’s financial statements, reporting practices and, accounting policies; and
- Provide counsel to the Board and management on matters, events, policies and decisions having a material financial impact on the company and shareholders

**Organization:**

The Audit Committee shall meet at least four times per year (once every fiscal quarter) and be comprised of at least three directors independent of management. The Audit Committee working alongside Governance Committee will determine term of office. All Audit Committee members will be financially literate. Committee members and the Committee chair are appointed and removed by the Board.

**Responsibilities:**

The Audit Committee should enact policies to assure the Board and shareholders that accounting, and reporting practices of the company are in accordance with all requirements and are of the highest quality. Through open dialogue with management and appropriate meeting agenda topics, the Committee should ensure they acquire sufficient insight and information to provide advice and counsel to management and the Board on significant events and decisions impacting the company’s financial results and condition as well as its reputation.

- Review and approve the annual incentive calculation.
- Review and approve the shareholder proxy.
- Review and approve code of ethics policies and hotline matters.

In carrying out its responsibilities, the Audit Committee will:

**Governance:**

- Review and approve charter annually.
- Report results of the annual audit to the full Board of Directors. If requested by the Board, invite the independent auditors to attend the full Board meeting to assist in reporting results of the annual audit or to answer other directors' questions.
- Annually approve non-audit services and quarterly as needed.
- Investigate any matter brought to its attention with the power to retain outside counsel or other additional resources as needed.

**Independent and Internal Audit:**

- Select the Independent Auditors.
- Audit Committee shall ensure that the Internal and Independent Auditors are independent and ultimately accountable to the Board and the Audit Committee who have the authorization to engage, evaluate and terminate their services.
- Review financial statements contained in the annual report to Shareholders to determine:
  - that the independent auditors are satisfied with both disclosure and content of the financial statements,
  - that both management and independent auditors are in agreement with the degree of aggressiveness or conservatism of the Company's accounting principles, underlying estimates, and other significant decisions made in preparing the financial statements.
- Meet with the independent auditors and management of the Company to review results of the annual audit, including recommendations of the independent auditors.
- Annually approve the internal audit plan and budget. Quarterly review results of completed audits and provide guidance and direction as necessary.

- Provide oversight of and discuss with accounting management, senior management, the internal auditor, and the independent auditor's significant risks or exposures.
- Meet with independent and internal auditors without members of management present. The meetings are open to all topics including the independent auditors' evaluation of the Company's financial, accounting, and auditing personnel, and the level of cooperation the independent and internal auditors received during the course of their work.

**Other Responsibilities:**

- Review legal and regulatory matters and understand financial impact.
- Review and approve tax strategies & policies.
- Provide oversight on cyber security practices & major IT projects.
- Review Enterprise Risk assessment and Risk mitigation processes.
- Review with Treasury debt and liquidity updates and approvals for financing structures.
- Review and approve pension plan & asset allocations.
- Review insurance programs, including property, general liability and director and officer's insurance, with proposed D&O insurance program to be presented to the full Board.