

# **SOUTHWIRE HOLDING 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 Southwire Holding Company (the “Company”), the Audit Committee (the “Committee”) shall: (i) assist the Board in fulfilling its responsibility to shareholders of the Company (the “Shareholders”) by providing oversight of the quality and integrity of the Company’s financial statements, reporting practices, and accounting policies; and (ii) provide counsel to the Board and management on matters, events, policies and decisions having a material financial impact on the Company and the Shareholders.

### **Committee Membership and Organization:**

The Committee shall be comprised of at least three (3) members of the Board. The Committee, working alongside the Governance Committee, will determine the term of office for members of the Board. Each member of the Committee must be “financially literate,” which means such member must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be an “audit committee financial expert.”<sup>1</sup> The Committee members are elected and removed by the Board. The Board will designate a Committee Chair.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to any independent auditor, outside legal counsel and any other advisors, and the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **Committee Meetings:**

The Committee will meet at least three (3) times per year. A majority of the members of the Committee will constitute a quorum for transacting business at a meeting. The Committee may take action by the affirmative vote of a majority of the Committee members present at a meeting. The Committee also may take action by unanimous written consent.

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<sup>1</sup> An “audit committee financial expert” means such director has (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions.

### **Responsibilities:**

The Committee should enact policies to assure the Board and the 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.

In carrying out its responsibilities and purpose, the Committee will:

#### *Governance:*

- Review the Committee's charter and recommend any changes to the Board.
- Conduct an annual evaluation of the performance of its duties under the Committee's charter and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.
- Report results of the annual audit to the full Board. If requested by the Board, the Committee shall invite the independent auditors to attend the full Board meeting to assist in reporting results of the annual audit or to answer other Board members' questions.
- Annually (or quarterly, as needed) approve non-audit services.
- Investigate any matter brought to its attention with the power to retain outside counsel or other additional resources as needed.

#### *Independent and Internal Audit:*

- Being directly responsible for the appointment, compensation, retention, and oversight of the work of the independent auditor.
- Ensure that the internal and independent auditors are independent and ultimately accountable to the Board and the 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; and
  - 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 any financial impact.
- Review and approve tax strategies and policies.
- Provide oversight on cyber security and data privacy practices and major information technology projects.
- Review enterprise risk assessment, risk mitigation processes, and business continuity plans.
- Review with Treasury debt and liquidity updates and approvals for financing structures.
- Review and approve pension plan and asset allocations.
- Review insurance programs, including property, general liability and director and officer's (D&O) insurance, with any proposed D&O insurance program to be presented to the full Board for approval.
- Review and approve the annual incentive calculation.
- Review and approve the proxy statement in connection with the Company's annual meeting of Shareholders.
- Monitor compliance with the Company's Code of Business Conduct (the "Code"), to investigate any alleged breach or violation of the Code, and to enforce the provisions of the Code.
- Review the Company's anticorruption and transparency programs, including establishing and overseeing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
- Perform all other duties and responsibilities delegated to the Committee by the Board.

*Last Updated: May 18, 2022*