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(Amended in October 2011)  
(Second amendment in October 2015)**

## **CHARTER FOR THE AUDIT, RISK AND COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS OF WIPRO LIMITED**

### **A. OBJECTIVES**

The Management of the Company has the overall responsibility to prepare financial statements in accordance with Generally Accepted Accounting Principles. The Company's Independent Auditor/Statutory Auditor has the responsibility to audit those financial statements. The Committee's responsibility is one of overseeing the financial reporting process and financial statements. However, the Audit/Risk and Compliance Committee ("Committee") has no obligation to provide any expert or other special assurance as to the Company's financial statements.

The objectives of the Committee are to:

- (a) Assist the Board of Directors of the Company in fulfilling its responsibilities to oversee the:
  - i. Company's financial reporting process.
  - ii. The integrity of the Company's financial statements as per authority and responsibilities provided in this charter.
  - iii. The Company's compliance with legal and regulatory requirements.
  - iv. Independent Auditors qualification and independence.
  - v. The performance of the Company's Internal Audit function and that of Independent Auditor.
- (b) Oversee the reporting requirements for inclusion in the Company's Annual Report.
- (c) Laying down the criteria for granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.

### **B. MEMBERSHIP**

The Audit Committee will consist of a minimum three Independent Directors, who shall meet all applicable legal requirements including Companies Act 2013, SEBI (Listing Obligations & Disclosure Requirements) 2015 and New York Stock Exchange Listed Company Manual with respect to Independence, Financial Literacy, Accounting, etc. At least one member will, in the judgement of the Board, be an "Audit Committee Financial Expert" as defined by the rules and regulations of Securities and Exchange Commission and at least one member (who may also be the Audit Committee financial expert) who, in the judgement of the Board, have accounting or related financial management expertise in accordance with the NYSE Listed Company Manual. The members of the Committee shall be appointed by the Board of Directors upon

recommendation by the Board Governance and Nomination Committee and will serve until separation voluntarily or otherwise.

### **C. POWERS**

In discharging its responsibilities, the Committee shall have the following powers:

- (a) To have unrestricted access to the Company's books and records.
- (b) To seek information from any employee of the Company including the management of the Company and its external advisors.
- (c) To investigate into any matter in relation to the items or referred to it by the Board of Directors.
- (d) To obtain the advice of lawyers, accountants or other professionals / consultants at the Committee's sole discretion. The Committee shall have sole authority to approve related fees and retention terms. Any communication between the Committee and the external legal counsel in the course of obtaining legal advice will be considered as attorney-client (company) privileged communication and the Committee shall take all necessary steps to preserve the privileged nature of those communications.
- (e) To have adequate resources and other authority necessary to discharge its duties and responsibilities.
- (f) To obtain any information from any employee of the Company to perform its duties effectively and have direct access to any employee of the Company.

The Committee shall act on the basis of simple majority.

### **D. RESPONSIBILITIES AND DUTIES**

The following are the responsibilities and duties of the Committee. The Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions.

The responsibilities and duties of the Committee are classified under the following **two** heads:

- Primary responsibilities and duties
- Additional responsibilities and duties

#### **1. Primary Responsibilities and Duties**

- 1.1 Approval of appointment of Chief Financial Officer of the Company after assessing the qualifications, experience and background, including remuneration and terms of appointment of the candidate.

## 1.2 Responsibilities and Duties in relation to Internal Audit

- (a) Reviewing the adequacy of the Internal Audit function, including the structure of the Internal Audit department, its responsibilities staffing, Strategic and Operating Plan for Internal Audit function, appointment and terms of remuneration of the Head of Internal Audit, reporting structure and frequency of internal audit.
- (b) Discussion with Internal Auditors and Management of any significant findings from the Internal Audit reports and follow up thereon.
- (c) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board of Directors.
- (d) Review of Internal Audit reports relating to internal control weaknesses.
- (e) Review with the Management, performance of internal auditors and adequacy of the internal control systems.
- (f) Meet exclusively with Internal Auditors, Management and/or Independent Auditor on a periodic basis.

## 1.3 Responsibilities and Duties in relation to Independent/Statutory Auditors

- (a) Reviewing and monitoring the Auditor's Independence, performance and effectiveness of audit process
- (b) Committee shall have the sole authority to:
  - recommend appointment of auditors, terms of appointment of auditors including remuneration.
  - approve all audit engagement fees and terms.
  - approve payment to Independent/Statutory Auditors for any other services rendered by them.
- (c) Discussion with Independent/Statutory Auditors before the audit commences about the nature and scope of audit.
- (d) Post-audit discussion with Independent Auditors/Statutory Auditors to ascertain areas of concern.
- (e) Review with the Management of the performance of the Independent Auditors/Statutory Auditors and the adequacy of internal control systems.
- (f) Reviewing with the Independent Auditor any audit problems or difficulties and management's response thereon.
- (g) Conducting a "post-audit review" of the financial statements and audit findings including any suggestions for improvements provided to Management by the Independent Auditors/Statutory Auditors.
- (h) Annually reviewing a report with the Independent Auditor describing:
  - i. the audit firm's internal quality control procedures.
  - ii. any material issues raised by the most recent internal quality control review or peer review of the firm.
  - iii. any inquiry or investigation by governmental or professional or regulatory authorities, within the preceding five years, with respect to one or more independent audits carried out by the firm.
  - iv. any steps taken to deal with any of the above issues.
  - v. all relationships between the Independent Auditor and the Company so as to assess the Auditor's independence.
- (i) Reviewing and evaluating the lead partner of the Independent Auditor as well as if necessary to consider rotation of Auditor in consultation with the Management.
- (j) Reviewing with the Independent Auditor:

- i. any accounting adjustments that were noted or proposed by the auditor but were “passed” (as immaterial or otherwise).
- ii, any communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement.
- iii. any “management” or “internal control” letter issued or proposed to be issued by the audit firm to the company.

1.4 Responsibilities in relation to the Company’s financial statements

- (a) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Reviewing the analysis prepared by the Management and/or the Independent Auditor/Statutory Auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements.
- (c) Reviewing and examining the audited financial statements with Management and the Independent Auditor/Statutory Auditor and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles.
- (d) Reviewing and examining with management the annual financial statements and the auditors’ report thereon before submission to the Board of Directors for approval with particular reference to:
  - matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c ) of sub-section (3) of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on exercise of judgement by management
  - Modified opinion(s) in the draft audit report
  - Qualifications in draft audit report
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Off-balance sheet structures on the financial statements
- (e) Reviewing and examining with the Management, the quarterly financial statements before submission to the Board for approval.
- (f) Reviewing with the Management, the statement of uses/application of fund raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- (g) Review and approval of a policy on materiality of related party transactions, approval or any subsequent modifications of transactions with related parties.
- (h) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, Statement of significant related party transactions, (as defined by the Audit Committee), if any, submitted by the Management.

- (i) Reviewing the financial statements of unlisted subsidiaries and in particular the investment made by unlisted subsidiaries.
- (j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (k) Scrutiny of inter-corporate loans and investments.
- (l) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (m) Reviewing with the Management the following:
  - i. "Management's Discussion and Analysis of Financial Condition and results of operations.
  - ii. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
  - iii. Quarterly and Annual Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and Regulation 327(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (n) Discuss and review with the management the following information provided to analysts and rating agencies:
  - i. earnings press releases
  - ii. financial information
  - iii. earnings guidance
- (o) Evaluation of internal financial controls and risk management systems policies.
- (p) Carrying out any other function as is mentioned in the terms of reference of the Audit, Risk and Compliance Committee under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, NYSE Listed Company Manual and Securities Exchange Commission.

#### 1.5 Responsibilities in relation to review of Compliance

- (a) Review of Statutory Compliance reports with applicable laws, every quarter to assess non-compliance and seek clarifications and explanations together with steps taken to ensure compliance.
- (b) Review of financial/non-financial regulatory matters and violations under Code of Business Conduct to assess non-compliance, seek clarifications and explanations together with steps taken to ensure compliance.
- (c) Review the policies of the Company such as Code of Ethics for Senior Financial Officers, Code of Business Conduct, Code of Conduct to Regulate, Monitor and Reporting of Trades by Insiders and Ombuds process and recommend improvements.

#### 1.6 Responsibilities in relation to the Risk Management

- (a) Monitoring and reviewing of the risk management plan and such other functions as the Board of Directors may deem fit.
- (b) Review and approve the Strategic and Operating Plan of Enterprise Risk Management function of the Company.

#### **Other general responsibilities**

- a) Report Committee's conclusions with respect to the various matters that the Committee has considered as well as the independence of the Auditor to the full Board at the Board meeting.
- b) Reviewing in conjunction with General Counsel, any legal matters that could have a significant impact on the Company's financial statement.
- c) Overseeing compliance with SEC requirements for disclosure of Auditor's services and Committee members and activities.

- d) Review the impact of pronouncements of the Financial Accounting Standards Board, SEC and other governing or regulating bodies on Company's financial statements.
- e) Overseeing and reviewing Company's compliance relating to SEC requirements under Dodd-Frank Act in implementing claw-back policies to recover incentive-based compensation of executives in case of a financial restatement.
- f) Overseeing and reviewing of the Company's investment policies and performance for cash and short term investments, Review of major financial risk exposures and the steps management has taken to monitor and control such exposures.
- g) Establishing and overseeing procedures for the receipt, retention and treatment of complaints on accounting, internal controls or auditing matters including confidential or anonymous submissions by Company's employees raising questionable accounting or auditing concerns.
- h) Reviewing on a regular basis the adequacy of the Ombuds function, including the structure and organization of the Ombuds team, its responsibilities, appointment of Corporate Ombudsperson.
- i) Review of any complaints against any of the ombudspersons and the Compliance Committee members.
- j) Handling of complaints referred to the Chairman of the Committee under Company's Ombuds Process.
- k) Review and reassess the adequacy of this Charter periodically and submit it to the Board of Directors for consideration and approval.

## **2 Additional Responsibilities**

In addition to the above primary responsibilities, the Committee will undertake such other duties as the Board of Directors delegates to it, and such other matters as may be required to be reviewed under Corporate Governance Guidelines and any statutory or regulatory requirements, and will report, at least annually, to the Board regarding the Committee's examinations and recommendations of such issues.

The Committee shall review and assess its performance on an annual basis using the established procedures by Board Governance and Compensation Committee.

### **E. MEETINGS:**

The Committee will meet at least four times in a year for quarterly meetings and additional meetings, if required, for specific review of Internal Controls/SOX certification/Review of Strategic and Operating Plan for Internal Audit, Enterprise Risk Management, Review of Internal Audit reports, Internal Controls over Financial Reporting, etc. The Committee may meet in person or through other methods like video conferencing, audio conferencing etc. as may be permitted by law from time to time.

### **F. REPORTS:**

The Chairman of the Committee shall brief the Board of Directors at the next Board meeting, and this will be incorporated as a part of the minutes of the Board of Directors meeting.

### **G. CIRCULAR RESOLUTION**

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

### **H. MINUTES:**

The Company Secretary will maintain minutes of the meetings of the Committee, which will be submitted to the Board for noting.