

## AUDIT & RISK COMMITTEE TERMS OF REFERENCE

- **Meetings**

The Committee shall meet at least twice a year to consider Audit matters. The Committee shall have the opportunity to meet the auditors, without management being present. The auditors may request a meeting if they consider that one is necessary.

The Board shall appoint a Chair of the Audit Committee independent to the Chairman of the Company.

The Company Secretary shall be appointed as Secretary of the Committee.

- **Membership**

Membership of the Audit and Risk Committee shall be all members of the Board. A quorum shall be two members.

- **Authority**

The Committee may obtain outside legal or other independent professional advice where necessary.

- **Duties**

The duties of the Committee are:

- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- To monitor the integrity of the financial statements and any formal announcements relating to the Company's financial performance, focusing particularly on:
  - any changes in accounting principles, policies and practices;
  - major judgmental areas;
  - significant adjustments resulting from audit;
  - the going concern assumption;
  - compliance with accounting standards and all relevant statutory requirements; and
  - compliance with the Listing requirements.

- To discuss problems and reservations arising from the interim reviews and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review reports from the auditors including the auditors' report to the Board.
- To review the Company's internal financial controls and to review the Company's internal control and risk management systems. This will include the review of the third-party supplier ISAE 3402 and auditor reports.
- To review the Company's statements on corporate governance and risk, including board evaluation, internal control and risk management systems.
- To consider annually whether there is a need for an internal audit function specific to the Company.
- To make recommendations to the Board to seek from shareholders for their approval at general meetings, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- To provide advice on whether the annual report and accounts, taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy
- To consider other relevant topics.
- To make recommendations to the Board on the matters noted above

- **Reporting Procedures**

The Secretary shall circulate the minutes of meetings.

The work of the Committee in discharging its responsibilities shall be disclosed in the Company's Annual Report.

The Chairman of the Audit Committee or appointed deputy shall attend the AGM and answer questions on Audit activities and responsibilities.