



Terms of Reference Audit Committee

1. Membership

The committee shall comprise two independent non-executive directors, appointed by the Board on the recommendation of the nomination committee.

At least one of the members shall have recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.

Appointments to the committee shall be made by the board for up to three years (with a maximum of two additional three-year extensions). The board shall appoint the committee chairman. In the chair's absence, the committee can elect a member to chair a meeting.

2. Secretary

The company secretary, or his/her nominee, will act as the secretary of the committee, ensuring that the committee receives information and papers in a timely manner.

3. Quorum

The quorum necessary for the transaction of business shall be two members.

4. Frequency of Meetings

The committee shall meet at least two times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

The committee chairman will maintain a dialogue with key individuals involved in the company's governance, including the board chairman, the chief executive, the finance director, the external audit lead partner and the head of internal audit.

5. Notice of Meetings

Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members or at the request of the external audit lead partner. Notice of each meeting confirming the venue, time and date and an agenda to be forwarded to each member no fewer than five working days before the date of the meeting.

6. Minutes of Meetings

The secretary will take the minutes, including names. Draft minutes should be circulated promptly. Once approved by the committee, minutes should be distributed to the rest of the board unless the committee chairman decides otherwise.



7. Annual General Meeting

The committee chairman should attend the AGM to answer shareholder questions on the committee's activities.

8. Duties

The committee shall be responsible for:

- Monitoring the financial reporting for the annual and half-yearly reports. In particular, the committee shall review and challenge where necessary to ensure appropriate accounting standards have been met.
- Review the content of the annual report and accounts and advise the board on whether it is fair, balanced and understandable for shareholders to assess the company's performance
- Review the internal controls and risk management systems
- Review the compliance, whistleblowing and fraud policies for the organisation
- Make recommendations to the Board and shareholders in relation to the appointment, reappointment and removal of the external auditors
- Meet regularly with the external auditor, review and approve the annual audit plan and review the findings of the audit with the external auditor

9. Reporting Responsibilities

The committee chairman shall report formally to the board after every committee meeting, on all matters within the committee's duties in relation to the financial statements and external audit process, making any recommendations the committee sees fit. The committee will also make sure it follows existing regulation on disclosure of information, and create an annual report to be presented to shareholders at the AGM.

10. Other Matters

The committee will have access to the company secretariat and appropriate and timely training. It will obey the law and arrange periodic reviews of its own performance, at least annually. The committee will also be responsible for co-ordination of the internal and external auditors

11. Authority

The committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.