

## 1. Purpose

The Risk and Audit Committee (hereinafter referred to as 'the Committee') assists the Board of Directors in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices, quality and integrity of financial reports, compliance, internal controls, risk management and business ethics.

## 2. Membership

- 2.1 The Committee shall comprise of at least three (3) non-executive directors appointed by the Board and the majority shall be independent directors.
- 2.2 The Board shall appoint a Chairperson from the independent members of the Committee.
- 2.3 The Chairperson of the Board, the Group Chief Executive Officer, the Chief Finance Officer and any executive director shall not be eligible to be appointed as Chairperson or member of the Committee.
- 2.4 The Board shall satisfy itself that the Chairperson and at least one member of the Committee has recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.
- 2.5 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- 2.6 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.

## 3. Secretary

- 3.1 The Company Secretary shall act as the Secretary of the Committee.

## 4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be at least two (2) members, one of whom must be an independent director.

## 5. Frequency of meetings

- 5.1 The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

## 6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairperson or any of its members or at the request of the External Auditor or Internal Auditor or Risk Officer if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to Committee members and any other attendees before the date of the meeting.

## 7. Minutes of meetings

- 7.1 The secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance.
- 7.2 After the Minutes are approved and signed by the Chairperson, these will be circulated to all members of the Board.

## 8. Written resolutions

- 8.1 Decisions may also be taken by way of written resolutions signed by all members of the Committee.

## 9. Annual Meeting of Shareholder

- 9.1 The Committee chairperson shall attend the Annual Meeting of Shareholder to answer any shareholder's questions on the Committee's activities.

## 10. Terms of Reference

The Committee shall fulfill its duties and responsibilities as follows:

### 10.1 Financial Statements

- 10.1.1 The Committee will examine and review the quality and integrity of the financial statements of the Company including its annual report.
- 10.1.2 The Committee shall consider and recommend dividend payment to the Board.
- 10.1.3 In particular, the Committee shall review and challenge where necessary:-
  - Compliance with International Financial Reporting Standards and legal requirements;
  - The methods used to account for significant or unusual transactions where different approaches are possible;

- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the External Auditor;
- The clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management; and
- The basis on which the Company has been determined a going concern.

## 10.2 Internal Controls and Risk Management Systems

The Committee shall:

- 10.2.1 Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems.
- 10.2.2 Support the Risk Officer by understanding key risks the organization has assumed and overseeing the management of these risks.
- 10.2.3 Review the risk philosophy, strategy and policies recommended and consider reports.
- 10.2.4 Ensure compliance with such policies and with the overall risk profile.
- 10.2.5 Review the management of current and emerging risks.
- 10.2.6 Provide guidance on areas of focus.
- 10.2.7 Propose risk appetites and risk limits for key risks to the Board of Directors.
- 10.2.8 Focus on risk identification, measurement, monitoring and management processes.
- 10.2.9 Ensure appropriate methodologies and systems are in place to identify and adequately assess and manage operational risks.

## 10.3 Compliance

The Committee shall:

- 10.3.1 Review the annual compliance work plan and other reports from the Compliance function.

10.3.2 Keep under review the adequacy and effectiveness of the Company's compliance function.

#### 10.4 Internal Audit

The Committee shall:

10.4.1 Ensure the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson, and is accountable to the Committee.

10.4.2 Review and assess the annual internal audit work plan.

10.4.3 Receive a report on the results of the internal auditor's work on a periodic basis.

10.4.4 Review and monitor management's responsiveness to the Internal Auditor's findings and recommendations.

10.4.5 Monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system.

#### 10.5 External Audit

The Committee shall:

10.5.1 Consider and make recommendations to the Board, to be put to shareholder for approval at the Annual Meeting of Shareholder, in relation to the appointment, re-appointment and removal of the Company's External auditor.

10.5.2 Ensure that at least once every five years the audit services contract is put out to tender.

10.5.3 Oversee the relationship with the External Auditor including (but not limited to):

- Recommendations on their remuneration, including both fees for audit and non-audit services.
- Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

10.5.4 Meet with the external auditor as and when required and at least once a year without management being present to discuss the auditor's remit and any issues arising from the audit.

10.5.5 Review and approve the annual audit plan

10.5.6 Review the findings of the audit with the External Auditor

10.5.7 Review any representation letter(s) and other documents requested by the External Auditor.

10.5.8 Review the management letter and management's response to the Auditor's findings and recommendations.

## **11. Reporting responsibilities**

11.1 The Committee chairperson shall report to the Board on its proceedings.

11.2 The Committee shall make recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

## **12. Other matters**

The Committee shall:

12.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required.

12.2 Work and liaise as necessary with all other Board committees.

12.3 Arrange for periodic reviews of its own performance and, as and when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **13. Authority**

13.1 The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

**11 September 2018**