

Audit and Risk Management Committee Charter

REMIT

- To act as an instructing arm for internal and external audit activities of the Group;
- To review and make recommendations on actions specific to risk management within the Group.

SCOPE

The scope of the Audit and Risk Management Committee's remit will include, but not be limited to:

(a) Risk Management and Insurance:-

1. Approve and monitor policies for reporting, risk management and internal audit, including in accordance with the Group's Risk Management Policy.
2. Receive ongoing risk management reports.
3. Review of risk management policies and management processes.
4. Review and ensure the Group carries appropriate levels of insurance.
5. Review and monitor management of workers compensation exposure.

(b) Audit

1. Recommend selection and remuneration of external Auditor and to monitor external Auditor independence.
2. Provide instruction to the external Auditor.
3. Arrange assistance as required by the external Auditor.
4. Receive external Auditor's preliminary Annual Audit Report.
5. Oversee and monitor implementation of external Auditor's recommendations (as accepted).
6. Review and monitor application of accounting policy and reporting of financial information to shareholders, regulators and generally.

7. Ensure that the audit approach covers all financial statement areas where there is a risk of material misstatement and that audit activities are carried out throughout the Group in the most effective, efficient and comprehensive manner.
8. In monitoring external Auditor independence the Committee will have regard to any legislative or regulatory requirements, and the following principles.
 - it is mandatory that the Audit Partner responsible for the Audit be rotated at least every five years. At least two years must expire before the Audit Partner can again be involved in the Audit of the Group.
 - monitor the number of former employees of the external Auditor who were involved in auditing the Group and who are currently employed in senior financial positions in the Group, and assess whether this impairs or appears to impair the Auditor's judgement or independence in respect of the Group. An individual Auditor who was engaged by the external Auditor and participated in the Group's audit shall be precluded from employment as CEO or CFO of the Group for a period of at least 12 months from the time of the audit.
 - consider whether taken as a whole, the various relationships between the Group and the external Auditor and the economic importance of the Group (in terms of fees paid to the external Auditor for the Audit as well as fees paid to the external Auditor for the provision of non-Audit services) to the external Audit impair or appear to impair the Auditor's judgement or independence in respect of the Group.
 - ensure the Group does not engage its external Auditor for certain non-audit services (including bookkeeping, financial information systems design, valuations, actuarial services, internal audit outsourcing, human resources and audit non-related legal/expert services). Any proposal to grant the external Auditor non-prohibited non-audit services will be referred to the Chairman of the Committee by management prior to granting the work.

The Committee will meet (at least twice annually) with the external Auditors without the presence of management.

9. Assurance that the Group adequately complies with applicable laws and regulations, is conducting its affairs ethically and is maintaining appropriate controls against employee conflict of interest and fraud.
10. In the selection and appointment of the external Auditors the Procedure for the Selection and Appointment of an External Auditor is incorporated into these Terms of Reference.

GOVERNANCE

(a) Establishment of the Committee

1. The committee is established under the authority of the Board in accordance with the Company's Constitution.
2. The Audit Committee shall have full and ready access to the Auditors, CEO, CFO, Senior Management and all employees as pertains to matters of Audit and Risk Management.
3. The Committee also has the authority to consult with independent professional advisers it considers appropriate to assist it in meeting its responsibilities.
4. The composition, functions and procedures may be amended from time to time.
5. Variations to these terms of reference may be made by the Board.

(b) Membership of the Committee

1. The members of the Committee shall be appointed, or be re-appointed, by the Board in compliance with the Company's Constitution and shall consist of the following persons who should demonstrate financial literacy and a relevant understanding and experience in the areas of Audit and Risk Management.
 - A. Independent Non-Executive Board Member with financial expertise and desirably being other than the Company Chairman unless specifically resolved to the contrary (Chair).
 - B. Independent Non-Executive Board Member (Board Chairman).
 - C. Independent Non-Executive Board Member (if available).
 - D. CEO (by invitation only).
 - E. External Auditor (by invitation only).
 - F. Others (if any) by invitation (ad hoc) only.
2. The period of appointment of each Board member shall be until the first Board meeting after the AGM each year or such shorter period as the Board may prescribe.
3. Vacancies, which occur within the term of office, shall be filled by the Board for the unexpired portion of the term.
4. Other Directors may attend meetings of the Committee at the discretion of the Committee Chair.

(c) Chairman

The Committee Chairman shall be appointed by the Board. In the absence of the Committee Chairman, the Committee will appoint another Board Member to chair meetings of the Committee.

(d) Meeting Procedures

1. The Committee shall meet at least twice annually on date and time agreed by the members, or as called by the Committee Chairman.
2. As far as is possible, Committee Agendas and supporting papers shall be despatched a reasonable period in advance of the meeting.
3. A quorum shall comprise of at least 50% of members of the Committee, but in any event no less than 2 members.

(e) Voting

1. Each member of the Committee including the Committee Chairman shall have one vote.
2. In the case of equality of voting the Committee Chairman shall have a casting vote in addition to his deliberative vote.

(f) Minutes

1. Minutes of each meeting shall be recorded and distributed to each member of the Committee.
2. The Minutes of each meeting shall be submitted to the following meeting of the Board for noting or for deliberation upon matters specifically referred by the Committee.
3. The Minutes of each meeting shall be submitted to the next succeeding meeting of the Committee for their certification by the Committee Chairman as a correct record of proceedings.

(g) Performance Review

The Committee will review, and submit a report to the Board on, its operations and performance over each financial year within a reasonable period of the close of the financial year.

(h) Reporting (periodic)

The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. The report should include but not be limited to:

- the minutes of the Committee and any formal resolutions;
- information about the audit process including the results of internal and external audits; and
- any matters that in the opinion of the Committee should be brought to the attention of the Board, and any recommendations requiring Board approval and/or action.

(i) Reporting (Annual)

In addition, the Committee, through its Chairman, shall report annually to the Board summarising the Committee's activities during the year. The report (and where appropriate any interim report) must include:

- a summary of the Committee's main authority, responsibilities and duties in the context of this Charter;
- related party dealings with the Group;
- details of meetings, including the number of meetings attended by each member;
- details of any change to the independent status of each member during the relevant period, if applicable; and
- details of any determination by the Committee regarding the external Auditor.