

## 1. Membership

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- 1.1. Members of the committee shall be appointed by the board, no later than one month after the company's Annual General meeting.
- 1.2. The committee shall be made up of 2-3 members. . New committee members shall receive guidance and information on the committee's operations and procedures
- 1.3. Only members of the committee have the right to attend committee meetings. However, other individuals such as the chairman of the board, chief executive, finance director, other directors and representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate.
- 1.4. The external auditors will be invited to attend meetings of the committee on a regular basis.
- 1.5. The board shall appoint the committee chairman.
- 1.6. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.7. Committee members shall possess knowledge and experience which is consistent with the work of the committee, at least one of the audit committee members shall be a financial expert who has accounting or related financial expertise.
- 1.8. The committee members shall be independent of the auditor or auditors of the company, and the majority should be independent of the company and the company's management. At least one committee member shall also be independent of large shareholders of the company. The Chief Executive Officer of the company shall not sit on the committee.
- 1.9. Members of the committee shall not make or permit any announcements or disclosures concerning the company's business and other matters which they are informed of due to serving as a member of the committee.

## 2. Secretary

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- 2.1. The Chairman will appoint the secretary of the committee.

## 3. Quorum

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- 3.1. The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

## 4. Frequency of meeting

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- 4.1. The committee shall meet at least four times a year, at appropriate time(s) in the reporting and audit cycle and otherwise as required.
- 4.2. The committee shall annually schedule a joint meeting of the Board, the committee and external auditors, where the day-to-day management of the Company is not present.

## 5. Notice of meetings

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- 5.1. Meetings of the committee shall be called by the secretary of the committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary,
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, and any other person required to attend, no later than 5 working days before the date of the

meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate at the same time, or if not practical then as soon as possible prior to the meeting.

## 6. Minutes

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- 6.1. The secretary shall minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance,
- 6.2. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly,
- 6.3. Minutes of committee meetings shall be circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

## 7. Annual General Meeting

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- 7.1. The chairman of the committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the committee's activities.

## 8. Duties

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The committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. The Board is responsible for the appointment and activities of the Audit Committee and it operates under the Board's authority. The Audit Committee does not reduce the responsibilities of the Board or relieve it of any liability.

### 8.1. Financial reporting

- 8.1.1. The committee shall monitor the integrity of the financial statements of the company, reviewing significant financial reporting issues and judgements which they contain. The committee shall also review summary financial statements and significant financial returns to regulators including (i) the company's annual accounts and (ii) semi-annual unaudited accounts prepared by the company.,
- 8.1.2. The committee shall review and challenge where necessary:
  - 8.1.2.1. The consistency of, and any changes to, accounting policies both on a year on year basis and across the company/group,
  - 8.1.2.2. The methods used to account for significant or unusual transactions where different approaches are possible,
  - 8.1.2.3. Whether the company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor,
  - 8.1.2.4. The clarity of disclosure in the company's financial reports and the context in which statements are made; and
  - 8.1.2.5. All material information presented with the financial statements, such as the Board of Directors report (insofar as it relates to the audit and risk management).

### 8.2. Internal controls and risk management systems

The Committee shall:

- 8.2.1. Keep under review the effectiveness of the company's internal controls and risk management systems; and
- 8.2.2. Review and approve the statements to be included in the annual report concerning internal controls and risk management

### **8.3. External Audit**

The Committee shall:

- 8.3.1. Consider and make recommendations to the board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor,
- 8.3.2. Oversee the selection process for new auditors and if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required,
- 8.3.3. Oversee the relationship with the external auditor including (but not limited to):
  - 8.3.3.1. Approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted,
  - 8.3.3.2. Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit,
  - 8.3.3.3. Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services,
  - 8.3.3.4. Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business),
  - 8.3.3.5. Agreeing with the board a policy on the employment of former employees of the company's auditor, then monitoring the implementation of this policy,
  - 8.3.3.6. Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, where appropriate, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements,
  - 8.3.3.7. Assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures.
- 8.3.4. Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement,
- 8.3.5. Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - 8.3.5.1. A discussion of any major issues which arose during the audit,
  - 8.3.5.2. Any accounting and audit judgements,
  - 8.3.5.3. Levels of errors identified during the audit.
- 8.3.6. The committee shall also review the effectiveness of the audit:
  - 8.3.6.1. Review any representation letter(s) requested by the external auditor before they are signed by management,
  - 8.3.6.2. Review the management letter and management's response to the auditor's findings and recommendations,
  - 8.3.6.3. Develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter

### **8.4. Reporting responsibilities:**

- 8.4.1. The committee chairman shall, at least once a year, report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities,
- 8.4.2. The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed,

**8.5. Other matters:**

- 8.5.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required,
- 8.5.2. Oversee any investigation of activities which are within its rules of procedure and act for internal purposes as a court of the last resort,
- 8.5.3. At least once a year, review its own performance, constitution and rules of procedure to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

**9. Authority**

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The committee is authorised:

- 9.1. To seek any information it requires from any employee of the company in order to perform its duties,
- 9.2. To obtain, at the company's expense, outside legal or other professional advice on any matter within its rules of procedure,
- 9.3. To call any employee to be questioned at a meeting of the committee as and when required.

**10. Communication with auditors**

- 10.1. An auditor or audit firm shall annually provide an account to the committee of their work and independence and submit a written report on important matters that have emerged in the course of the audit. The report shall specifically address any weaknesses in internal controls in the procedure of preparing the accounts.

**11. Other**

- 11.1. The original of these rules shall at all times be maintained in the Company's Book of Minutes and available at the Company's website.

Thus approved in a meeting of Company's Board of Directors 22 July 2019