

## Audit & Risk Committee Charter

### 1. Objectives

The role of the Audit & Risk Committee is to assist the Board fulfil its responsibilities to the owners in relation to:

- The integrity of the Corporation's financial accounting and reporting practices,
- The adoption of appropriate risk management strategies, and
- Compliance with all legal and statutory obligations.

In particular, the Committee will report to the Board and provide appropriate advice and recommendations in order to facilitate decision- making by the Board, in relation to the following areas:

- Ensure the quality and accuracy of published financial reports so they present a true and fair view of the Corporation's financial position.
- Ensure the Corporation adopts, maintains and applies appropriate accounting policies and procedures and effective internal control procedures.
- Ensure that the Corporation establishes and maintains effective internal control systems.
- Oversee and appraise the external audit function.
- Direct the internal audit function.
- Ensure the Corporation maintains effective risk management systems.
- Ensure the Corporation maintains an effective compliance program.

### 2. Membership

- Membership of the Committee shall comprise a minimum of three non-executive Directors appointed by the Board. The Chairman of the Committee shall be appointed by the Board. Membership shall be reviewed annually by the Board.
- At least one but preferably two member(s) should have past employment experience in finance or accounting and appropriate professional qualifications in accounting.
- The Board Chairman is precluded from membership of the Committee.

### 3. Resources

- The Committee shall have the authority to seek any information it may require from any officer or employee of the Corporation or its subsidiaries.
- The Committee shall have unlimited access to both the internal and external auditors and to senior management of the Corporation.
- The Committee may, with the consent of the Chairman of the Board, consult experts at the expense of the Corporation, where the Committee considers it necessary.

- An officer of the Corporation shall be appointed Secretary to the Committee and shall be responsible for, inter alia, keeping minutes of meetings and drawing up the agenda, in conjunction with the Chairman.

#### **4. Meetings**

- The Committee shall meet at least three times a year. Two members shall comprise a quorum.
- The Chief Executive Officer and Chief Financial Officer may be invited to attend meetings of the Committee.
- The external auditors shall be given notice of meetings and shall have the right to attend.
- The Committee may invite the internal auditors to attend.
- Other Directors may attend if they wish.

#### **5. Duties and Responsibilities**

The duties and responsibilities of the Committee are:

##### **5.1 Financial Accounting and Reporting**

- Evaluate the adequacy and effectiveness of the Corporation's accounting policies, through active communication with management, internal and external auditors.
- Evaluate the adequacy of the Corporation's management information and accounting control system by reviewing written reports from the internal and external auditors and monitor management's responses and actions to correct any noted deficiencies.
- Require reports from management, internal and/or external audit on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact on the Corporation's financial reporting process.
- Identify and direct any special projects or investigations deemed necessary.
- Review and make recommendations to the Board on all significant accounting policies and proposed changes thereto.
- Review significant transactions outside the Corporation's normal business.
- Review the annual financial statements and reports with the Chief Executive Officer, the Chief Financial Officer and the external auditors and if considered appropriate recommend acceptance to the Board.
- Ensure that the Corporation complies with its reporting obligations under relevant legislation.

##### **5.2 Internal Audit**

- Review the resources and organisation of the internal audit function (and if relevant, recommend to the Board, the appointment of the internal auditors)
- Review and recommend the adoption of the internal audit plan to the Board.
- Receive and review the reports from the internal auditors and the actions proposed by management in response thereto.
- Monitor the progress of the internal audit programme and, together with any additional investigative reviews, consider the implication on the control environment.
- Evaluate the overall effectiveness of the internal audit function.

### **5.3 External Audit**

- Review and recommend the annual external audit plan to the Board.
- Review reports prepared by external audit and have the opportunity to determine whether all matters raised are receiving appropriate attention.
- Evaluate the overall effectiveness of external audit.
- Review and assess the independence of the external auditors.

### **5.4 Risk Management**

- Ensure that the key business and financial risks are identified and reviewed on a regular basis and that where relevant, appropriate risk mitigation strategies are adopted.
- Without limiting the scope of the activity it shall include a review of the Corporation insurances, reliance on external service providers, disaster recovery planning, the impact of the loss of key staff, vulnerability to fraud and to the extent relevant the overall state of the economy.

### **5.5 Legal Compliance**

- Ensure that the Corporation has systems/programs that seek to ensure that it fully complies with all relevant legislation, statutory obligations and its obligations under the Shareholders Letter of Expectation.

## **6. General**

- The Chairman shall report significant issues arising from the Committees meetings and place minutes before the next available Board meeting.
- Minutes of the Committee are to be signed by the Chairman of the Committee at the next Committee Meeting.
- The Committee shall review and reassess its Charter on an annual basis.
- The Committee shall evaluate its own performance on an annual basis.