

BOARD AUDIT COMMITTEE

CHARTER

As at 20 September 2017

Overall Purposes of the Committee

To assist it in undertaking its functions XXX has appointed a Board Audit Committee (“BAC”) to monitor, report and make recommendations to the Board about–

- the financial reporting processes of XXX to ensure the balance, transparency and integrity of published financial information, and
- the internal control systems of XXX, and
- the independent audit process of XXX.

Structure and Membership of the Committee

The members of BAC are –

- 3 members of the Board, appointed by the Board, and
- such other members (who need not be members of the Board) as may be appointed by the Board.

The Chairman of BAC (the “Chairman”) is the person appointed by the Board. The chairman of the Board is not to be Chairman.

Each member of BAC should have the appropriate skills and experience.

Each member should be financially literate, with at least one member having accounting or related financial expertise.

Powers of the Committee

In performing its roles and responsibilities BAC may–

- request reports on any matter associated with the business of XXX, and
- access any relevant records of XXX (including its subsidiaries and related entities), and
- with the approval of the Board, retain outside consultants to advise it at the expense of XXX, and
- review specific transactions, at its discretion, according to such criteria as it determines from time to time.

Roles and Responsibilities

Charter

- Be familiar with this Charter and undertake the roles and responsibilities specified herein.
- Make recommendations to the Board from time to time about changes to this Charter to better enable BAC to fulfil its overall purposes.

Financial Reporting and Internal Controls

- Review significant accounting and reporting, including regulatory pronouncements and understand their impact on financial reporting.
- Review the controls and processes that ensure that financial statements of XXX comply with relevant standards and are subject to appropriate management review.
- Review annual financial statements of XXX.
- Meet with management and the external auditor to review financial statements, key accounting policies and the results of the audit.
- Ensure significant adjustments, any disagreements with management and critical policies and practices are discussed with the external auditor.

External Auditor

- Review the professional qualifications of the external auditor and the experience of audit personnel.
- Review the external auditor's proposed audit scope and approach in the light of the organisation's circumstances and any regulatory changes.
- Consider the independence of the external auditor and any potential conflicts of interest.
- Review annually the performance of the external auditor.
- Discuss with the external auditor any audit problems encountered during the audit.
- Meet at least annually with the external auditors and review the annual management letter of the external auditors.
- Review policies for the provision of non-audit services by the external auditor.

Effective Working Relationships

- Maintain effective working relationships with the Board, management and external auditors.

Generally

- Report to the Board any matters which BAC considers should be considered by the Board or another committee thereof.
- Consider and report on any other matter referred to BAC by the Board.

Meetings of the Committee

BAC will meet on at least 2 occasions per annum and at such other times as the Chairman determines.

All members of the Board (whether members of the BAC or not) are entitled to attend each meeting of the BAC.

The Chairman may invite the Chief Executive Officer of XXX (the “CEO”) to attend committee meetings.

The Chairman may invite any other officer or employee of XXX to attend a committee meeting, after consultation with the CEO.

The Chairman may invite the external auditor to attend a meeting of the committee, as is considered necessary.

The Secretary of the committee will be the Secretary of the Board.

The Secretary will circulate the agenda and supporting documentation to all members of the Board and to any members of BAC who are not members of the Board within a reasonable time before each meeting.

The Secretary will circulate minutes of the meetings to all members of the Board and to any members of BAC who are not members of the Board and include those minutes in the agenda for the next meeting of the Board.

A quorum shall be a majority of the members of BAC, of which at least 50% of those attending are members of the Board.

Evaluating Performance

BAC will evaluate its performance and the performance of each of its members annually and report to the Board.

Review of Charter

BAC will review its charter every second year and make recommendations for change to the Board for approval.