

Audit Committee Terms of Reference

Role of the Audit Committee

The Audit Committee shall be a standing sub-committee of the Board. The Committee's role is to act on behalf of the Board of Directors and oversee all material aspects of the Group's financial reporting, control and audit functions. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders and on Group processes for the management of business/financial risk and for compliance with significant applicable legal, ethical and regulatory requirements.

Membership of the Committee

The Committee shall consist of at least two, and no more than five, independent, non-executive Board Directors. Committee members shall have: (1) knowledge of the primary industries in which the Company operates; (2) the ability to read and understand fundamental financial statements, including a company's balance sheet, income statement, statement of cash flows and key performance indicators; and (3) the ability to understand key business and financial risks and related controls and control processes. The Committee shall have access to its own counsel and other advisors at the Committee's sole discretion.

At least one member should be literate in business and financial reporting and control, including knowledge of the regulatory requirements, and should have past employment experience in finance or accounting or other comparable experience or background.

The Committee shall include where possible, one member of the Remuneration committee. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination committee in consultation with the chairman of the Audit Committee.

The Committee Chairman shall be appointed by the Board.

A Operating Principles of the Committee

The Committee shall fulfil its responsibilities within the context of the following overriding principles:

1 Communications

The Chairman and others on the Committee shall, to the extent appropriate, maintain an open avenue of contact throughout the year with senior management, other committee chairs and other key Committee advisors (external auditors, etc), as applicable, to strengthen the Committee's knowledge of relevant current and prospective business issues.

The Committee Chairman should attend the annual general meeting of shareholders to answer any questions.

2 Meeting agenda

Committee meetings shall be the responsibility of the Committee Chairman, with input from Committee members. It is expected that the Chairman would ask for the management and key Committee advisors, and perhaps others, to participate in this process.

3 Expectations and information needs

The Committee shall communicate Committee expectations and the nature, timing and extent of Committee information needs to management, and external auditors. Written materials, including key performance indicators and measures related to key business and financial risks, shall be received from management, auditors and others at least one week in advance of meeting dates.

Meeting conduct will assume Committee members have received written materials in sufficient depth to participate in Committee dialogue.

4 Authority

The Committee is authorised to:

- seek any information it requires from any employee of the company in order to perform its duties;
- obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- call any employee to be questioned at a meeting of the Committee as and when required;
- have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

5 Meeting attendees

The Committee shall request members of management, external legal experts, external auditors, as applicable, to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities. Periodically and at least annually, the Committee shall meet in private session with only the Committee members. It shall be understood that either external auditors or external experts, may, at any time, request a meeting with the Committee or Committee Chairman with or without management's attendance. In any case, the Committee shall meet in executive session separately with external auditors, at least annually.

6 Secretary

The Company Secretary, or his nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

7 Meeting frequency

The Committee shall meet at least three times a year at appropriate intervals. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman.

8 Notice and Quorum

Meetings shall be convened by the Company Secretary or the chairman of the Committee on no less than five working days' notice, save where otherwise agreed. The quorum necessary for the transaction of Committee business shall be two members.

9 Reporting to the Board of Directors

- 9.1 The Committee, through the Committee Chairman, shall report after each meeting to the full Board and shall also report to the Board annually after the end of the financial year on how it has discharged its responsibilities and:
- the significant issues that it considered in relation to the financial statements and how these were addressed;
 - its assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans;
 - any other issues on which the Board has requested the Committee's opinion.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.
- 9.3 In reporting to the Board after the end of the financial year, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement.

10 Minutes

Minutes from Committee meetings shall be circulated as soon as is reasonably practicable by the Company Secretary to all Committee members and minutes shall subsequently be made available to each Board Director at least one week prior to the subsequent Board of Director's meeting, save where it is deemed inappropriate by the Committee Chairman to do so.

B The Principal Responsibilities of the Committee

1 Financial reporting

- Review and assess the annual, interim and any other formal financial statements before they are approved by the Board and released to the public or filed.
- In particular, the Committee shall review and challenge where necessary:
- the application of significant accounting policies and any changes to them;
 - the methods used to account for significant or unusual transactions where different approaches are possible;
 - whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and
 - all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

- Review and assess the key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor's views, and the basis for audit conclusions.
- Approve changes in important accounting principles and the application thereof in both interim and annual financial reports.
- Advise financial management and the external auditors that they are expected to provide a timely analysis of significant current financial reporting issues and practices.
- Review reports from the independent auditors concerning critical accounting policies, all alternative treatments of financial information that were discussed with management and other material written communications between the auditors and management, including any representation letters before they are signed.

2 Narrative reporting

Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

3 Risks and controls

- Review and assess the Company's business and financial risk management process, including the adequacy of the overall control environment and controls in selected areas representing significant risk.
- Review and assess the Company's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, legal violations, anti-bribery and corruption and tax evasion, including the implementation and operation of whistleblowing procedures. In that regard, review the related findings and recommendations of the external auditors, together with management's responses.
- Discuss with management, review and assess policies and programmes in respect of risk management and risk assessment. In that regard, oversee the implementation and regular updating and monitoring of a risk register and establishment and functioning of a risk review committee.

4 External auditors

- Oversee the external auditor selection process, the qualifications, expertise and resources of the auditors and recommend the selection of the external auditors for approval by the Board of Directors. If an external auditor resigns, investigate the issues leading to the resignation and decide whether action is required.
- Oversee the relationship with the external auditors. Instruct the external auditors that they are responsible to the Board of Directors and the Committee as representatives of the shareholders. In that regard, confirm that the external auditors will report all relevant issues to the Committee in response to agreed expectations.

- Approve, in advance, all auditing and non-auditing services provided by the Company's independent auditors, including remuneration and terms of engagement. Consider whether non-audit services have a direct or material effect on the audited financial statements.
- Review the performance of the external auditors.
- Assess annually the external auditor's independence. Obtain a formal written statement from the external auditors on their independence. Additionally, discuss with the auditors any relationships or non-audit services that may affect their objectivity or independence.
- Consider, in consultation with the external auditors, their audit scopes and plans to ensure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.
- Review with management and the external auditors the result of the annual audits, including any major issues, difficulties or disputes that arose during the audit and how they were addressed, interaction between the auditors and senior management during the audit, any significant changes in the audit plans, levels of errors identified during audit, the rationale behind adoptions and changes in accounting principles, and accounting estimates requiring significant judgements.
- Review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

5 Internal Audit

- 5.1 Whilst the Company does not have an internal audit function, review and consider annually whether there should be one and make a recommendation to the Board in respect of the same.
- 5.2 Whilst the Company does have an internal audit function, the Committee shall:
- approve the appointment or termination of appointment of the head of internal audit;
 - review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation;
 - review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business,⁴⁸ and receive regular reports on work carried out;
 - ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
 - ensure the internal auditor has direct access to the board chairman and to the committee chairman, providing independence from the executive and accountability to the committee;

- carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
 - meet with the head of internal audit without the presence of management to discuss the effectiveness of the function;
 - review and assess the annual internal audit work plan;
 - receive a report on the results of the internal auditor's work;
 - determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
 - review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- monitor and assess the role and effectiveness of the internal audit function
- in the overall context of the company's risk management system and the work of compliance, finance and the external auditor; and
- consider whether an independent third party review of processes is appropriate.

6 External Corporate Financial and Tax Advisors

- Approve, in advance, the instruction of external financial and tax advisors, where fees are expected to be greater than €50,000.
- Review the performance of the external financial and tax advisors.

7 Other matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
- be responsible for coordination of the internal and external auditors;
- oversee any investigation of activities which are within its terms of reference;
- work and liaise as necessary with all other Board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees;
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.