

Terms of Reference – Audit and Risk Committee

(approved by the Board on 27 March 2019)

1. Composition

The Committee shall comprise at least two members from the Board (but not more than half of the number of Board directors). All Committee members shall be independent of the executive management and at least two Committee members shall be independent of major shareholders. The Board shall appoint the members of the Committee, the majority of whom should have experience in accounting, auditing or financing.

The Board shall appoint the Committee Chair.

Each member of the Committee shall continue to be a Committee member until a successor is appointed, unless the member resigns, is removed by resolution of the Board or otherwise ceases to be a director.

Where a vacancy occurs on the Committee, it shall be filled by the Board. Alternatively, the Committee's responsibilities shall be transferred to the Board, if, in the opinion of the Board Chairman, the seriousness of the audit issues then arising justifies consideration at full Board level.

Only members of the Committee have the right to attend meetings, however, the CFO should normally attend Committee meetings. The external auditor shall meet the Committee at least annually. Other members of the Board and of management may be invited to attend Committee meetings.

2. Secretary

The Group Company Secretary shall act as Secretary of the Committee.

3. Quorum

All members must be present to form a quorum. 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. Meetings

The Committee shall meet at least quarterly in connection with the review of the Company's quarterly financial statements and at such other times as required. The meetings can take place either in the form of physical meetings or phone conferences.

The Committee shall, together with the CFO, establish a schedule for its work.

5. Notice of Meetings

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member thereof or at the request of the CEO or CFO.

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 with a copy to the chairman of the Board, no less than five days prior to the date of the meeting.

6. Authorities and Duties

The Committee shall act as an advisory committee to the Board on issues related to financial reporting and audit of the Group, internal control routines and risk management.

The Committee shall have the following particular authorities and responsibilities:

- **Financial Reporting:**

The Committee shall review and evaluate draft quarterly and annual accounts prior to any board discussion of the same matter and provide its recommendation to the Board. Particular attention shall be paid to:

- Accounting principles, including development of new principles and change of existing principles;
 - Decisions on principles/numbers that are open for alternative conclusions;
 - Special transactions, including transactions with related parties;
 - Adjustments required due to audit;
 - Assumptions made for impairment testing;
 - The “going concern” assumption.
- **Internal Controls:** The Committee shall annually evaluate the Group’s internal financial control routines and procedures, routines and procedures related to financial reporting as well as financial risk management systems.
 - **Risk Management:** The Committee shall ensure that Management has actively taken such measures as are necessary to identify and mitigate key commercial, financial, legal, operational or other risks to the Group’s business including:
 - Annually review and report to the Board on the status of the Group’s management system, and status of the Group’s internal control and risk management systems and opine on whether these are appropriate in relation to the extent and nature of the Group’s activities;
 - At least annually, ensure receipt of an internal audit report concerning the various departments and employees’ compliance with various commitments and procedures comprising the Group’s management system and review and report to the Board of Directors the conclusion of such internal audit report; and
 - Annually together with the CEO review the Group’s most important areas of exposure to risk and present the conclusions to the Board of Directors.

- **Auditor:**

The Committee shall regularly liaise with the Group's external auditor. Particular emphasis shall be placed on:

- Development of annual plan for the audit work as proposed by the auditor;
- Evaluation of the auditor's fees;
- Proposal on change of auditor;
- Evaluation of the auditor's independence to the management and the Group, including the management's use of consultancy services from the auditor;
- Review of auditor's numbered letters prior to the presentation of these to the Board.

7. Minutes of the Meetings

The Secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance.

Action Points arising out of Committee meetings shall be circulated to the Committee within one week of the meeting. Draft minutes of Committee meetings shall be circulated to the Committee Chair and subsequently all members of the Committee and to the Chairman of the Board latest three weeks after the meeting. Meeting minutes shall be approved at the subsequent Committee meeting and made available to other members of the Board.

8. Reporting/Recommendations

The Committee Chair shall report to the Board on the quarterly accounts and annual accounts at each Board meeting where such accounts are subject to discussion. The Committee Chair shall at least once a year give an outline of the various other elements of the work of the Committee.

The Committee shall present its recommendation to the Board on all proposals made by the management to the Committee.

The Committee shall annually review its own performance and present the review for comments to the Board.

The Committee shall annually review the terms of reference for the Committee and recommend any changes to the Board for approval.