

# AUDIT COMMITTEE CHARTER

May 2018

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## 1. INTRODUCTION

The Board hereby establishes an Audit Committee with the responsibilities and composition set forth herein.

## 2. SCOPE

The Audit Committee is a committee of the Board of the Company with the specific powers delegated under this charter. The charter sets out the Audit Committee's function, composition, mode of operation, authority and responsibilities.

## 3. FUNCTION

3.1 The primary function of the Committee is to oversee, and to assist the Board in fulfilling its responsibilities relating to, accounting and financial reporting practices of the Company and the audits of the financial statements of the Company. In addition, the Committee will

- (a) exercise, on behalf of the Board, the Board's authority with respect to the appointment of external auditors;
- (b) be directly responsible for the compensation, retention and oversight of external auditors;
- (c) oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors;
- (d) (i) determine the independence and effectiveness of the external and internal auditors, including under all applicable accounting and auditing standards, (ii) at least annually, consider the independence of the external auditor, and, consistent with rules of the U.S. Public Company Accounting Oversight Board ("PCAOB"), (iii) obtain and review a report by the external auditor describing any relationships between the external auditor, and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the external auditor's independence and discuss with the external auditor the potential effects of any such relationships on independence and (iv) assess any relationships or services that may impact the objectivity and independence of the external auditor;
- (e) maintain open lines of communications among the Board, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;

- (f) serve as an independent and objective party to review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public;
- (g) review the adequacy of the reporting and accounting controls of the Company;
- (h) meet to review and discuss with management and the external auditor the annual audited and any interim financial statements of the Company and the independent auditor's reports related to such financial statements, and review the financial sections of the Company's annual report and related regulatory filings before release and consider the accuracy and completeness of the information;
- (i) receive reports from management regarding, and review and discuss the adequacy and effectiveness of, the Company's disclosure controls and procedures;
- (j) review and discuss earnings press releases, and corporate practices with respect to earnings press releases and financial information and earnings guidance provided to analysts and ratings agencies
- (k) review and discuss the Company's practices with respect to risk assessment and risk management;
- (l) establish and oversee procedures for handling reports of potential misconduct, including: (1) violations of law or the Company's codes of conduct; (2) complaints regarding accounting, internal accounting controls, auditing and securities law matters; and (3) the confidential, anonymous submission of concerns by employees regarding accounting, internal accounting controls, auditing and securities law matters;
- (m) establish and periodically review policies and procedures for the review, approval and ratification of related person transactions, review related person transactions and oversee other related party transactions governed by applicable accounting standards; and
- (n) establish policies for the hiring of employees and former employees of the external auditor.

3.2 The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Company or professional advisers where appropriate.

#### **4. Membership and composition**

4.1 The Board shall appoint the members of the Committee and review the adequacy of this charter and the composition of the Committee at least annually. The Committee will comprise

- (a) at least three members;
- (b) subject to the transitional requirements below, only non-executive directors whom are considered independent as defined in applicable rules;
- (c) an independent chairman appointed by the Board and who is not the Chairman of the Board; and
- (d) where possible, members with sufficient financial skills and experience relevant to the committee's functions,
- (e) at least one member who is considered financially sophisticated, as determined by the Board in accordance with Nasdaq listing standards.

4.2 Transitional requirements. The composition of the Committee need not comply with the requirements set forth in 4.1 to the extent such compliance may be delayed pursuant to Nasdaq Rule 5615(b)(1) and Rule 10A-3(b)(1)(iv) promulgated under the U.S. Securities Act of 1933.

4.3 No member of the Committee may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

## **5. MEETINGS**

5.1 The Committee shall

- (a) meet as frequently as required but at least two times per year, and
- (b) the minimum quorum for a committee meeting is two members.

5.2 The secretary of the Committee is the Company Secretary.

## **6. AUTHORITY**

6.1 In performing its functions in accordance with any applicable law, the Committee

- (a) has unrestricted access to the external auditors, the internal audit firm, senior management and employees of the Company;
- (b) has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- (c) may seek independent external advice on matters brought before the Committee or in relation to the functions and responsibilities of the Committee and has the authority to retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions and will receive appropriate funding, as determined by the Committee, from the Company for payment

of compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties; and

- (d) shall have the power to conduct or authorise investigations into any matters within the committee's scope of responsibilities or when requested by the Board.

## **7. RESPONSIBILITIES**

7.1 The Committee must promote an environment within the Company which is consistent with best practice financial reporting. In particular, the Committee must

- (a) perform an independent review of financial information prepared by management for external reporting. This will include conducting reviews of the annual report, directors' report, annual financial statements, half yearly financial statements and any other externally reported financial information required by law;
- (b) monitor the integrity and effectiveness of financial reporting processes;
- (c) review and assess the external audit arrangements;
- (d) appoint, review and assess the internal audit arrangements and consider significant internal audit findings and management's responses and related actions;
- (e) review and ensure implementation of legislated major accounting changes;
- (f) ensure that appropriate policies are established and adequate systems are in place to identify and disclose related-party transactions and assess the propriety of any related party transactions; and
- (g) ensure that the Board is kept regularly informed on general progress and activities, and is promptly briefed on all significant matters.

## **8. EXTERNAL AUDIT ARRANGEMENTS**

8.1 The Committee shall report to the Board with respect to external audit arrangements and shall be directly responsible for such external audit arrangements, including

- (a) exercising, on behalf of the Board, the Board's authority with respect to the appointment of external auditors;
- (b) the re-appointment, replacement and remuneration of the external audit firm;

- (c) review the terms of engagement for the external auditor;
- (d) review the scope of the external audit with the external auditor including identified risk areas;
- (e) monitor the performance of the external audit including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;
- (f) review, assess and approve in advance all audit and permissible non-audit services to be provided by the external auditor, and establish policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;
- (g) review and monitor management's responsiveness to the external audit findings;
- (h) on a periodic basis, meet with the external auditor without the presence of management; and
- (i) review and discuss with the external auditor any matters required to be discussed with the external auditor pursuant to rules adopted by the PCAOB or other auditing oversight bodies, including any problems or difficulties the external auditor encountered in the course of its audit work and management's response.

## **9. APPOINTMENT OF EXTERNAL AUDITOR**

- 9.1 Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.
- 9.2 The Committee will ensure that prospective auditors have been provided with a sufficiently detailed understanding of the Company, its operations, its key personnel and any other information, including group structures and financial statements, which will have a direct bearing on each firm's ability to develop an appropriate proposal and fee estimate.
- 9.3 The Committee will consider the appointment in conjunction with senior management.
- 9.4 In selecting an external auditor, particular consideration will be given to determining whether the fee quoted is sufficient for the work required, that the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge and whether the work proposed is sufficient to meet the Company's needs and expectations.

9.5 The appointment of a new external audit firm will be placed before shareholders for ratification at the next annual general meeting after the appointment is made.

## **10. ROTATION AND SUCCESSION PLANNING**

10.1 The Committee will discuss with the auditor the provisions the audit firm has in place for rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner be rotated at least every 5 years and the review partner be rotated at least every 3 years.

## **11. MANAGEMENT SIGN-OFF PROCEDURE**

11.1 The Audit Committee will ensure that the Managing Director and Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

11.2 The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.