



GODDARD ENTERPRISES LIMITED

THE AUDIT AND RISK COMMITTEE CHARTER

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1. DEFINITIONS

In this Charter, the following terms will have the following meanings:

“**Auditors**” means both internal and independent external auditors of the Company.

“**Board**” means the Board of Directors of Goddard Enterprises Limited.

“**Chair**” or “**Chairman**” means the Chairman of the Audit and Risk Committee.

“**Charter**” means the Charter of the Audit and Risk Committee of the Board of Directors of Goddard Enterprises Limited.

“**Committee**” means the Audit and Risk Committee of Goddard Enterprises Limited.

“**Company**” or “**Group**” means the Head Office and all subsidiary and associated companies within the group comprising Goddard Enterprises Limited.

“**Internal Audit Department**” means the Internal Audit Department of Goddard Enterprises Limited.

“**Management**” means the management team at the Head Office of Goddard Enterprises Limited.

2. COMMITTEE PURPOSE AND RESPONSIBILITIES

i) Purpose

The Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the Company's financial reporting, (2) the independent external auditor's qualifications and independence, (3) the Company's systems of internal controls, (4) the performance of the Company's Internal Audit Department, the Company's risk management processes and (5) the Company's compliance with legal and regulatory requirements.

ii) Duties and Responsibilities

The Committee's responsibility is oversight. In order to assist the Board in its functions with respect to matters provided for in the Charter and with a view to promoting accountability and transparency in the Group's operations and the maintenance of effective controls, the Committee shall:

a) review the detailed audit plans of the internal and independent external auditors, as well as any reports of auditors (internal or external) in the scope of their respective audits during the preceding year or financial period;

b) review the reports of the independent external auditor on the financial accounts of the Group;

c) review any other reports submitted by the independent external auditor;

- d) review the audit reports of the internal auditor;
- e) ensure that the recommendations and management action plans relative to all auditors' reports are implemented promptly;
- f) ensure that a complete risk management program is systematically incorporated into the Group and monitored by the Committee; and
- g) any other function that the Board deems necessary to ensure accountability and transparency of the Company's operations.

iii) **Financial Reporting and Oversight: Relationship with the Company's External Auditors**

- a) The Company's independent external auditors are ultimately accountable to the Board, as representative of the Company's shareholders. The Committee exercises the responsibility of the Board in that oversight role.
- b) The Committee shall be directly responsible for the oversight of the work of the independent external auditors employed by the Company (including resolution of disagreements between management and the independent external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. In that connection, the independent external auditors shall report directly to the Committee.
- c) The Committee shall review the independent external auditors' independence and obtain written disclosures regarding all relationships with the Company that could affect their independence. In that connection at least annually the Committee shall obtain and review a report by the independent external auditors describing their internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues; and (to assess their independence) all relationships between the independent external auditors and the Company.
- d) The Committee shall approve in advance any audit and non-audit services, including tax services, to be performed for the Company by its independent external auditors, except for services that were recognized at the time of the engagement to be audit and non-audit services.
- e) The Committee shall meet periodically, at least once a year, with the independent external auditors without the presence of management representatives.
- f) The Committee and the Group Financial Controller shall meet with the representatives of the independent external auditors prior to commencement of the annual audit to discuss planning, staffing, to review the audit scope and approach, and any specific areas of risk that the independent external auditors propose to focus on.
- g) Following conclusion of the year-end audit, but prior to release of the financial statements, the Committee shall discuss with representatives of the independent external auditors the financial statements and the results of the audit, including any disagreements with management regarding audit scope, access to requested information or accounting presentation.

h) Prior to release of the financial results the Committee shall review them with management and representatives of the independent external auditors.

i) At least annually, the Committee shall review with representatives of the independent external auditors their judgements concerning the quality of the Company's accounting principles as reflected in its financial reporting, whether those principles are consistent with industry standards or represent minority positions, and the clarity of disclosure of information. The Committee shall also review with the independent external auditors their views regarding any significant estimates made by management which are reflected in the financial statements.

j) In that connection, the Committee shall review with the independent external auditors:

(1) all critical accounting policies and practices to be used;

(2) all alternative treatments of financial information that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent external auditors; and

(3) other material written communications between the independent external auditors and the management of the Company, such as any management letter or schedule of unadjusted differences.

k) The Committee shall discuss, at least annually, the adequacy of the Company's internal controls with the Internal Audit Department, the independent external auditor and management, including, without limitation, reports regarding (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting, and (c) recommendations to improve the Company's internal control structure and operational efficiency. The Committee shall review and discuss, as appropriate, any special audit steps implemented by management to address any deficiencies.

l) After the completion of the annual audit, the Company will review the performance of the independent external auditors. The independent external auditors will submit an action plan to improve the audit process.

iv) **Oversight of the internal Audit Department and Internal Controls**

a) Review the appointment or replacement of the Group Internal Audit Manager, along with reviewing the Group Internal Audit Manager's performance annually.

b) Discuss with the independent external auditor and management the Internal Audit Department's responsibilities, staffing and any recommended changes in the planned scope of the internal audit.

c) The Committee shall have oversight responsibility with respect to the Internal Audit Department. In that connection, the Committee shall maintain regular contact with the Group Internal Audit Manager and meet with her/him at least once a year without the presence of management representatives and/or independent external auditor.

d) The Committee shall receive and review reports from the Internal Audit Department with respect to the results of audits undertaken and management's response to recommendations from the Internal Audit Department. The Committee shall have the authority to direct the Internal Audit Department to undertake specific projects, including review of specific departments of the Company.

e) The Group Internal Audit Manager shall have access to the members of the Committee on a direct basis as necessary, and shall attend meetings of the Committee as requested by the Committee.

v) **Risk Management**

a) The Committee shall have oversight responsibility with respect to Management's responsibilities to assess and manage the Company's key risks, including market, credit, liquidity, funding, operational and reputational risk. The Committee's role also includes oversight of the Company's risk governance structure.

b) The Committee shall receive and review reports from Management regarding the major risk exposures of the Company and its business units. Specifically, the Committee shall review the pertinent risk parameters for the Company's most important risks and review and approve corporate risk assessment and management procedures.

vi) **Oversight of the Compliance Departments of Major Subsidiaries and Divisions and Legal and Regulatory Matters**

a) Discuss with Management and the independent external auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

b) The Committee shall monitor matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.

vii) **Other Responsibilities**

a) The Committee shall establish and review procedures for:

(1) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing and other matters that may impact negatively on the Company's operations; and

(2) The confidential, anonymous submission by employees of the Company of concerns regarding questionable practices as set out in the Company's Standard Operating Policy – "Whistle Blowing" as amended from time to time.

3. COMMITTEE STRUCTURE

a) The Committee shall consist of no fewer than three (3) independent directors. The members of the Committee shall be appointed annually by the Board and shall be persons who are financially literate in the judgement of the Board. The Chairperson will be a member of the Committee who is selected by the Board. In the absence of the Chairman at any meeting of the Committee, members present shall choose one of their number to act as Chairman of the meeting.

b) The Managing Director, Group Internal Audit Manager, Chief Financial Officer of the Group and independent external auditors shall attend Committee meetings by invitation as required.

c) The Board may fill a vacancy arising on the Committee at any time.

4. COMMITTEE MEETINGS AND OPERATIONS

a) At a minimum the Committee shall hold formal meetings quarterly. Additional meetings, either in person or by telephone, may be held from time to time as determined by the Chair of the Committee. Two (2) members shall constitute a quorum for the transaction of business of the Committee.

b) Notice of Committee meetings shall include the time and place of every meeting and shall be given in writing or by facsimile, email or other electronic communication to each member not less than two (2) days (exclusive of the day on which the notice is sent but inclusive of the day for which notice is given) before the meeting is to take place.

c) In addition, through the Chairperson of the Committee, members of the Committee are free to contact members of management including financial managers, compliance managers, the Group Internal Audit Manager, the Company's internal and external legal counsel and the Company's independent external auditors whenever they consider appropriate; the Committee may request reports or presentations at Committee meetings from any of these individuals. The Committee shall meet periodically with senior management responsible for the Company's financial reporting. Written minutes of the Committee meetings shall be maintained.

d) Questions arising at any Committee meeting shall be decided by a majority of votes.

e) Notwithstanding any of the foregoing provisions, a resolution in writing signed by all members of the Committee entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

5. REPORTING TO THE BOARD

The Committee shall report regularly to the Board with respect to its activities.

6. PERFORMANCE EVALUATION AND CHARTER REVIEW

Performance Evaluation

The Committee shall participate in an annual performance evaluation of its activities by the Board.

Charter Review

The Committee shall review this Charter annually and make changes as it considers appropriate.

7. ENGAGEMENT OF INDEPENDENT ADVISERS

a) In exercising its oversight responsibility, the Committee shall have access to members of Management and may inquire into any issues that it considers to be of material concern to the Committee or the Board.

b) The Committee shall have authority to conduct or authorize investigations into any matters within its scope of responsibilities and to retain advisers, including legal counsel and other professionals, to assist in the conduct of any investigation and determine their compensation.

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