

Audit Governance and Risk Committee Terms of Reference

Establishment:

The Benefacts Audit, Governance and Risk Committee (AGRC) is established as a Committee of Benefacts to perform the functions specified below.

6.1 Authority:

The AGRC is authorised by the Benefacts Board to investigate any activity within its areas of responsibility. It is authorised to seek any information it requires from any employee or advisor, and all employees and advisors are directed to co-operate with any request made by the AGRC.

The AGRC is authorised by the Benefacts Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary in order to carry out its responsibilities.

The Chairman of the AGRC will report progress to the Board on a regular basis as may be required. Minutes of meetings will be circulated to the Board, provided no conflict of interest arises.

6.2 Membership:

The Chairman and members of the AGRC shall be appointed by the Board. The membership of the AGRC shall consist of a Chairman and no less than one (1) other member.

The Chairman shall be a non-executive member of the Board. Of the remaining members, at least one may be a person who is not a Board member. The AGRC should ideally include one member who is a professional qualified accountant.

The Chairman and the AGRC members shall be appointed for a period of three years, and shall be eligible for reappointment for a maximum of two further terms of three years each or part thereof, subject to ongoing Benefacts Board membership where relevant.

The Head of Finance shall attend meetings of the AGRC. The MD shall attend meetings where input is required.

Unless otherwise decided by the Board, the Secretary to the Benefacts Board shall act as Secretary to the AGRC.

Other Benefacts personnel or people external to Benefacts may be invited by the Chairman to attend AGRC meetings where they have a particular knowledge or expertise that will assist the AGRC in its functions.

The Auditor should be invited to attend a meeting of the AGRC once a year.

6.3 Meetings:

The AGRC shall be convened by the Chairman as is required to carry out its business. Notwithstanding this, the AGRC shall meet at least 4 times per year at a minimum, unless otherwise approved by the Board. Where the Chairman is unavailable to attend or participate, he/she may appoint a member of the AGRC to act as Chairman in his absence.

A Quorum shall be **two** members present at the meeting. Members may attend in person or by electronic means, including by teleconference or by videoconference. Any matter on which a vote of the AGRC is required shall be determined by a majority of the votes of the AGRC Members present and voting on the matter, and, in the case of an equal division of votes, the Chairman shall have a second and casting vote. Members may approve decisions by email.

6.4 Responsibilities:

- 6.4.1 To ensure a proper system of internal controls is in place to safeguard assets and to give assurance that the Annual Financial Statements give a true and fair view.
- 6.4.2 To recommend to the Board the appointment of auditor to the Company.
- 6.4.3 To accept any audit reports presented by the external auditor, including any follow up actions.
- 6.4.4 To assess the draft Annual Financial Statements and once satisfied, to recommend them to the Benefacts Board for approval and submission to the CRO.
- 6.4.5 To review any Management Letter issued by the Auditor to ensure there is satisfactory follow up/response from Benefacts Management. Draft and maintain the Risk Policy to be approved by the Board
- 6.4.6 Oversight of the implementation and maintenance of the Risk Management system as outlined in the Risk Policy and ensuring that the Risk Policy is reviewed annually
- 6.4.7 To ensure an up to date Risk Register is maintained by the Management and to periodically review the top ranked risks in detail to ensure they have been appropriately assessed and evaluated
- 6.4.8 Oversight of the monitoring and reporting of risk in accordance with the Risk Appetite statement
- 6.4.9 In the implementation of Benefacts risk policy, to continuously monitor the external environment for any changes which may materially affect the Risk Appetite of Benefacts
- 6.4.10 To monitor monthly expenditure with respect to ensure there are satisfactory explanations for all significant variances.
- 6.4.11 To monitor effectiveness and efficiency of Benefacts operations
- 6.4.12 To monitor systems and controls in place to ensure compliance with relevant obligations contained in laws, regulations and contracts
- 6.4.13 Oversight of Benefacts Corporate Governance structures and policies to ensure effectiveness
- 6.4.14 Review codes of ethics for executives, employees and Board members and make recommendations on any proposed amendments for consideration by the full Board;

- 6.4.15 Set annual objectives for the AGRC (including annual objectives for improving Board performance) and annually review performance.
- 6.4.16 Such further responsibilities as may be assigned or approved by the Board