

Policy owner	Board of Directors, Delegat Group Limited
Date of publication	June 2021
Applicability	Delegat Group and its subsidiaries

Purpose and Introduction

This Charter sets out the basis on which the Board has established an Audit & Risk Committee (the “Committee”). The purpose of the Committee, is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Board’s oversight of the Delegat group of companies (Group) with respect to:

- the application of accounting policies;
- the integrity of external financial reporting;
- internal control systems;
- the risk management framework and monitoring compliance with that framework;
- environmental, social and governance (ESG) reporting and monitoring compliance with ECG matters;
- compliance with applicable laws, standards and best practice.
- providing an open avenue of communication amongst the external auditors, financial and senior management, and the Board.

Board specific policies

The Board has determined that:

- Management is responsible for the implementation and supervision of the underlying systems and financial reporting, compliance and risk management within the Group;
- the Audit & Risk Committee is not responsible for the operation of internal controls or audit systems but is responsible for the integrity of these systems, by ensuring appropriate and acceptable systems (including IT) are in place for effective governance, either directly, or by delegation to the auditors;
- the Committee is not a substitute for the responsibilities and legal obligations imposed on the full Board.

Composition of the Committee

The Audit & Risk Committee shall be appointed by the Board and shall consist of at least three members, the majority of whom must be non-executive and independent directors.

At least one member of the Committee shall have past employment experience in finance or accounting or have any comparable experience and/or qualifications deemed satisfactory by the Board. The Chair of the Committee must be independent and must not be the Chair of the Board.

Meetings of the Committee

A quorum shall be two independent members and in attendance (by invitation) will be the Managing Director and Chief Financial Officer. The Company's external auditors will attend meetings at the request of the Chair and all directors are entitled to attend meetings of the Committee. To ensure a quorum, members may link via telephone or other audio-visual communication enabling all members to participate simultaneously. The Chief Financial Officer is responsible for recording the minutes of each meeting.

Authority of the Committee

The Committee does not take actions or make decisions on behalf of the Board. It makes recommendations on matters set out in this charter.

The Committee is expressly authorised, by the Board, to seek any information it requires from any employee and to secure legal or other independent advice it considers necessary to ensure compliance with legal and reporting requirements.

Responsibilities and Reporting to Board

The responsibilities of the Committee require it to:

- ensure that appropriate financial reporting and internal control processes are implemented and monitored and to ensure the Board is appropriately informed on corporate financial matters;
- review, monitor and report on the Company's ESG matters and ensure processes are in place so that the Board is properly and regularly informed and updated on environmental, economic and social sustainability risks (including information on any material business risk issues raised by management and these risks are being managed effectively);
- regularly review the risk framework for the Group and to review internal controls to ensure processes are in place to mitigate the effect of any changes in business risks impacting the Group and to review the insurance program as presented by management;
- recommend to the Board the appointment and compensation of the external auditors and to annually assess their performance and independence;

- liaise with the external auditors at least twice per year and review their audit plan and recommendations, and any significant findings or recommendations from their audit, and to ensure these are actioned by management;
- review the external auditor every five years and ensure the lead audit partner is changed;
- review and form an opinion on the draft half year and full year financial statements and reports against compliance and appropriate laws and regulations noting any material accounting policy changes and confirm that the financial statements present a true and fair view of the Group's results and of the Group's assets;
- form an opinion on the financial performance of the Group and its financial structure;
- the Committee will hold at least two meetings per year, scheduled to ensure timely review of the half year and full year financial statements and report. An agenda for each meeting will be distributed at least five working days ahead of each meeting. The Chair shall report to the Board after each meeting;
- review (and approve, if deemed appropriate) any requests by relevant parties to trade in the Company's restricted financial products in accordance with the Group's Financial Products Trading Policy, and in addition, review any breaches of that policy;
- any other matters referred to it by the Board, or any other party in relation to breaches (or suspected breaches) of the Group's Code of Ethics.

Review

The Committee shall formally review its activities and objectives bi-annually the results of which will be submitted to the Board.