

Audit Committee Charter

PURPOSE

To assist the Board of Directors in fulfilling its oversight responsibilities to the shareholders, potential shareholders, the investment community, and others relating to the company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the company's financial statements and the company's process for monitoring compliance with laws and regulations and the code of conduct.

AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint, compensate, and oversee the work of the external auditor employed by the organization.
2. Resolve any disagreements between management and the auditor regarding financial reporting.
3. Pre-approve all auditing and non-audit services.
4. Obtain, at the company's expense, any outside legal or other professional advice it shall reasonably require in connection with the performance of its duties.
5. Seek any information it requires from any employee, officer or director of the company in the company-all of whom are directed to cooperate with the Committee's requests-or external parties in order to perform its duties.
6. Meet with company officers, external auditor, or outside counsel, as necessary.
7. Call any employee to be questioned at a meeting of the Committee as and when required

8. Form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee

The Committee has decision-making authority in regard to its delegated duties of verifying the independence of the external auditor, determining the fee for the external auditor, and for the terms of engagement of the external auditor.

The Committee should encourage continuous improvement, and should foster adherence to the company's policies, procedures, and practices at all levels. The Committee should also provide for open communication among the external auditor, financial and senior management, the internal audit function, and the board of directors

COMPOSITION AND QUALIFICATIONS

The Audit Committee shall consist of at least three and no more than six members of the board of directors. The board or its nominating committee will appoint Committee members and the Committee chair.

Each Committee member shall be both independent and financially literate and possess the ability to read and understand the fundamental financial statements of the company. At least one member of the Audit Committee shall, in the judgment of the Board of Directors, have accounting or related financial management expertise, certification as a practicing member of the Institute of Chartered Accountants of Jamaica or member of the Public Accountancy Board.

Members of the Audit Committee shall be free from any relationship to the company or any related entities that, in the judgment of the Board of Directors, may interfere with the exercise of their independence from management of the Company. Other than in their capacity as members of the Board of Directors, members of the Audit Committee may not be affiliates, officers or employees of the Company or any related entities and may not accept from the Company any consulting, advisory or other compensatory fees other than Company Board and Committee fees. Members of the Committee shall not be a full-time employee of the company for the past 3 financial years, be a material supplier or customer of the company such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship, or be related to anybody who falls within the above criteria.

The Board shall appoint the chairman of the Committee. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Only members of the Committee shall have the right to vote.

The external auditors shall be invited to attend meetings of the Committee on a regular basis.

MEETINGS

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

It will hold private meetings with auditors and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES

To fulfill its responsibilities and duties, the Audit Committee will engage in the following activities:

Financial Reporting

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with management and the external auditor to review and discuss the company's annual financial statements and quarterly financial statements (prior to the company's JSE filings or release of earnings, including the company's disclosures under JSE corporate governance requirements and all internal control reports (or summaries thereof).
- Review with management and the external auditor the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.

- Review with management and the external auditor all matters required to be communicated to the Committee under International Standards on Auditing.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditor before filing with regulators, and consider whether they are complete and consistent with the information known to Committee members.
- Discuss earnings press releases, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-IFRS information. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made)
- Discuss financial information and earnings guidance provided to analysts and ratings agencies. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made)

Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditor' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Annually, review, recommend changes (if any) to, and approve the internal audit charter.

- Approve decisions regarding the appointment and removal of the Internal Audit Director. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Internal Audit Director.
- Approve the annual audit plan and all major changes to the plan. Review the internal audit activity's performance relative to its plan.
- Review with the Internal Audit Director the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- At least once per year, review the performance of the Internal Audit Director and concur with the annual compensation and salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the Internal Audit Director to discuss any matters that the Committee or internal audit believes should be discussed privately.
- Review the activities and organizational structure of the internal audit function, as well as the qualifications of its personnel.
- Periodically review, with the Internal Audit Director, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.

External Audit

- Review the external auditor' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditor, and exercise final approval on the appointment or discharge of the auditors.

- Review and confirm the independence of the external auditor by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditor to discuss any matters that the Committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance or regulatory matters that could have a significant impact on the company's financial statements.
- Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the company's major financial risk exposures and the steps management has undertaken to control them. Consider the risk of management's ability to override the company's internal controls.

Reporting Responsibilities

- Regularly report to the board of directors about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditor, and the board of directors.

- Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to Committee responsibilities.

Other Responsibilities

- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Evaluate the Committee's and individual members' performance on a regular basis.
- Review, with management, the company's finance function, including its budget, organization, and quality of personnel.
- Conduct an annual performance assessment relative to the Audit Committee's purpose, duties, and responsibilities outlined herein to confirm that all responsibilities outlined in this charter have been carried out.
- Perform any other activities consistent with this charter, the company's bylaws, and governance standards that the board or Audit Committee determines are necessary or appropriate.