

SENIOR PLC

BOARD COMMITTEES – TERMS OF REFERENCE

AUDIT COMMITTEE

1. Constitution

The Board has established a Committee of the Board that is known as the Audit Committee.

2. Membership

- (i) The Committee shall be appointed by the Board from amongst the independent Non-Executive Directors of the Company, at least one of whom shall have recent and relevant financial experience. The Committee shall consist of not less than three members, of which all shall be independent of any business connection with the Group.
- (ii) The Chairman of the Committee shall be appointed by the Board from amongst the independent Non-Executive Directors.
- (iii) The Company Secretary shall be the Secretary of the Committee.

3. Proceedings

- (i) The quorum for meetings of the Committee shall be two members, and the Committee may, subject to the provisions set out below, meet for the despatch of business, adjourn and otherwise regulate its meetings as it sees fit.
- (ii) The Finance Director, Head of Internal Audit, and a representative of the external auditors shall attend meetings at the invitation of the Committee.
- (iii) The Chairman of the Board, the Chief Executive and other Board members shall attend if invited by the Committee.
- (iv) There should be at least one meeting a year, or part thereof, where the external auditors attend without management present. A similar meeting should be held with the internal auditor.
- (v) Meetings shall be held not less than three times a year and, where appropriate, shall coincide with key dates in the Company's financial reporting cycle. The Secretary will convene a meeting if the external auditors or internal auditor request a special meeting, and shall specify if the auditors have requested that no Executive Director be present.

4. Authority

The Committee is authorised by the Board to:

- (i) investigate any activity within its Terms of Reference;
- (ii) seek any information that it requires from any employee of the Company, and all employees are directed to co-operate with any request made by the Committee; and
- (iii) obtain outside legal or independent professional advice, and such advisors may attend meetings as necessary.

5. Responsibilities

The responsibilities of the Committee shall be:

External Audit

- (i) to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor;
- (ii) to oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the shareholders to consider at the AGM;
- (iii) to assess annually the independence and objectivity of the external auditor, taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services ensuring that key audit personnel are rotated at appropriate intervals;
- (iv) to recommend the audit fee to the Board and pre-approve any significant fees in respect of non-audit services provided by the external auditor;
- (v) to discuss with the external auditor, before the Audit commences, the nature and scope of the Audit and to ensure that the Audit Plan is consistent with the scope of the audit engagement and review the Auditors' quality control procedures and steps taken by the Auditor to respond to changes in regulatory and other requirements;
- (vi) to review the external auditor's management letter and management's response;
- (vii) at the end of the annual audit cycle, to assess the effectiveness of the audit process;
- (viii) to consider the risk of the withdrawal of the Company's present auditor from the market.

Internal Audit

- (i) to monitor and review the effectiveness of the internal audit function in the context of the Company's overall risk management system;
- (ii) to approve the appointment or dismissal of the Head of Internal Audit;
- (iii) to consider and approve the remit of the internal audit function and ensure that it is adequately resourced. The Committee shall ensure that the internal audit function has appropriate standing within the Company and is free of management or other restrictions;
- (iv) to monitor reports issued by the internal auditor;
- (v) to consider management's response to major internal audit recommendations.

Internal Control

- (i) to keep under review the effectiveness of the company's internal controls and risk management systems;
- (ii) to review the Company's procedures for handling allegations from Whistleblowers.

Financial Reporting

- (i) to review, and challenge where necessary, the actions and judgments of management, in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
- critical accounting policies and practices, and any changes in them;
 - decisions requiring a major element of judgement;
 - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - the clarity of disclosures;
 - significant adjustments resulting from the audit;
 - the going concern assumption.

Compliance and Regulation

- (i) to review, and challenge where necessary, the actions and judgments of management, in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
- compliance with accounting standards;
 - compliance with stock exchange and other legal requirements;
 - reviewing the Company's statement on internal control systems prior to endorsement by the Board, and reviewing the policies and processes for identifying and assessing business risks and the management of those risks by the Company.

Other Issues

- (i) to consider other topics, as defined by the Board.

6. Reporting Procedures

- (i) The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
- (ii) The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- (iii) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (iv) The Chairman of the Committee or, as a minimum, another member of the Committee, shall attend the Board Meeting at which the annual financial statements are approved.
- (v) The Committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the Board.
- (vi) The Committee's duties and activities during the year shall be disclosed in the annual financial statements.
- (vii) The Chairman of the Committee shall attend the AGM and shall answer questions, through the Chairman of the Board, on the Audit Committee's activities and their responsibilities.