

## Terms of reference of the Audit Committee

### A. Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

### B. Membership

Chairman - Chairman of the Board of Directors

Secretary - Company Secretary

Members - Non Executive Directors

In Attendance - Executive Directors by invitation only.

Auditors to be invited to attend key meetings and the meeting prior to the year end announcement.

### C. Meetings

Committee to meet at least twice a year and minutes to be prepared and circulated to the whole board. A quorum will be a minimum of 2 members.

### D. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the 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.

### E. Duties

The duties of the Committee shall be:

a) to consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal;

b) to discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

c) to review the half-year and annual financial statements before submission to the Board, focusing particularly on;

## ALEXANDRA PLC

- (i) any changes in accounting policies and practices
  - (ii) major judgmental areas
  - (iii) significant adjustments resulting from the audit
  - (iv) the going concern assumption
  - (v) compliance with accounting standards
  - (vi) compliance with stock exchange and legal requirements
- d) to review all corporate public announcements prior to their release;
- e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- f) to review the external auditor's management letter and management's response;
- g) to approve the annual letter of representation prior to its despatch to the auditors;
- h) to consider the major findings of internal investigations and management's response;
- i) to review the cost-effectiveness, independence and objectivity of the auditors;
- j) to review the extent and nature of non-audit services provided by the auditors;
- k) to consider other topics, as defined by the board;

### **F. Reporting Procedures**

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.