

**Cambria Africa Plc**  
**(the “Company”)**

**Audit Committee**

**Terms of Reference**

These terms of reference were adopted by the board on 24 February 2012. These terms of reference are to be made available on the Company’s website.

**1. Membership**

- 1.1 The committee shall be appointed by the board and shall consist of three directors, at least one of whom shall be non-executive.
- 1.2 A quorum shall be two members.
- 1.3 The chairman of the committee shall be appointed by the board.
- 1.4 Members of the committee shall be appointed for a three year term which may be renewed for two further three year periods.
- 1.5 The Company secretary shall be the secretary of the committee.
- 1.6 The finance director and a representative of the external auditors shall normally attend meetings.

**2. Authority**

- 2.1 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 the Company and each of its subsidiaries (the ‘group’) and all employees are directed to co-operate with any request made by the committee.
- 2.2 The committee is authorised by the board (subject first to informing the board of its intention to do so) to obtain outside legal or other independent professional advice at the Company’s expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

**3. Duties**

The committee shall carry out the duties set out below for the group:

- 3.1 to review and monitor the scope and results of the audit and its cost effectiveness;
- 3.2 to keep the nature and extent of substantial volumes of non-audit services provided (if any) under review;



- 3.3 to consider the appointment or re-appointment of the external auditor, the non-audit services' policy, the audit fee, and any issues involving the resignation or dismissal of the auditor;
- 3.4 to discuss and agree with the external auditor the nature and scope of the audit before the audit commences;
- 3.5 to review and monitor the independence and objectivity of the external auditor;
- 3.6 to review the interim and annual financial statements (having particular regard to the application of accounting policy, significant adjustments arising from the audit, the going concern assumption, capital adequacy, compliance with accounting standards and other requirements) and any formal announcements relating to the Company's financial performance;
- 3.7 to review procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements;
- 3.8 to discuss problems and reservations arising from the interim and final audits, as well as any matters the auditor may wish to raise (in the absence of executive management where necessary);
- 3.9 the clarity of disclosure in the Company's financial reports and the context in which disclosures are made;
- 3.10 to review and monitor methods used to account for significant or unusual transactions where different approaches are possible;
- 3.11 to review any representation letter(s) requested by the external auditor before these are signed by management;
- 3.12 to review the external auditor's management letter and management's response to the auditor's findings and recommendations;
- 3.13 to review the group's internal control and financial reporting systems (including financial, operational, compliance and risk management) and to make recommendations to the board;
- 3.14 to review the Company's statement on internal control systems and risk management prior to endorsement by the board;
- 3.15 to review and monitor the need for an internal audit function in the context of the Company's overall risk management system and, where such a function exists, to review the implementation of the programme ensuring its smooth efficient running and appropriate standing within the Company;



- 3.16 to consider the major findings and recommendations of internal audit investigations and management's response to these;
- 3.17 to consider other topics, as requested by the board; and
- 3.18 to report on all the above matters to the board.

#### **4. Reporting Procedures**

- 4.1 The committee shall meet as and when requested by either its chairman or, if different, the chairman of the Company, and its chairman will ensure that meetings are held sufficiently frequently for the committee to fulfil its duties.
- 4.2 Notwithstanding 4.1 above, committee meetings shall be held at least three times each year. At one of those meetings the committee shall have particular regard to the management and mitigation of risk, matters of internal control (including the governance of subsidiaries) and value for money.
- 4.3 The committee shall, at least annually, meet the external auditors, without management (other than executive members of the committee), to discuss matters relating to its remit and any issues arising from the audit.
- 4.4 The secretary of the committee shall minute the proceedings and resolutions of all meetings.
- 4.5 The chairman of the committee will report to the board on significant matters considered, recommended or decided by the committee. The minutes, but not necessarily all the related background papers, of each meeting of the committee shall be made available by the Company secretary for inspection by any director.
- 4.6 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is required.
- 4.7 The committee shall compile an appropriate report to shareholders on its activities to be included as part of the Company's annual report.
- 4.8 The chairman of the committee shall attend the annual general meeting of the Company prepared to respond to any shareholder question on the committee's activities.

Ian Richard Brice Perkins  
Company Chairman