



Audit and Risk Committee Charter

9 August 2019

1. Purpose

- The role of the Audit and Risk Committee (ARC) is to assist the Board to fulfil its responsibilities in relation to Contact's:
 - a. External financial reporting;
 - b. Internal control environment;
 - c. Internal audit and external audit functions; and
 - d. Risk management.

2. Composition

- The ARC shall comprise at least three members of the Board.
- All members must be non-executive, independent directors and financially literate.
- The ARC must have at least one member who has an accounting or financial background.
- The Chair of the ARC will be appointed by the Board and must not be the Chair of the Board.
- The term of each member will be determined by the Board through annual review.

3. Meetings

- The ARC shall meet at least four times a year, and as required to undertake its role effectively.
- The presence of one half of the members of the ARC (rounded upwards if not a whole number) is necessary to constitute a quorum.
- Meetings will be attended by the Head of Risk & Assurance, external auditors (for relevant sections of the agenda), Chief Executive Officer (CEO), Chief Financial Officer (CFO) and others as appropriate, at the discretion and invitation of the ARC.
- The ARC shall meet with the Head of Risk & Assurance and external auditors without management present at each meeting and at any other time during the year at the discretion of the ARC Chair.
- The ARC Chair will report to the Board following each meeting of the ARC.

4. Powers of the Audit and Risk Committee

- The ARC has the power to secure the attendance at meetings of external parties with relevant experience and expertise, including the attendance of company management as appropriate.
- The ARC may obtain external legal or independent professional advice in the satisfaction of its duties, at the company's expense.
- The ARC has direct access to any resources and information of the company as it may reasonably require.

5. Responsibilities

The responsibilities of the ARC are:

5.1 Financial Reporting and Internal Control

- Review Contact's half and full year statutory reporting and recommend to the Board for approval.
- Oversee key aspects of Contact's half and full year market presentations and media releases.
- Review and approve changes to material accounting policies proposed by management.
- Consider the adequacy of internal controls after consultation with the external and internal auditors and management.
- Consider internal and external audit findings in relation to significant internal control deficiencies.

5.2 Internal Audit

- Regularly monitor and review the internal audit work plan, regular reports from internal audit and management responses. Consider the level and standard of controls.
- Oversee the independence and objectivity of the internal audit function.
- Review, and where necessary recommend, any internal audit manager appointment.
- Review the remuneration incentive arrangements and performance objectives for key internal audit personnel.

5.3 External Audit

- Monitor the independence and effectiveness of the external auditors.
- Make recommendations to the Board on the appointment and termination of the external auditors.
- Approve the external audit terms of engagement, audit partner rotation and audit fee.
- Review the annual audit plan of the external auditors.
- Review and approve non-audit services performed by the external auditor in accordance with the External Audit Independence Policy.
- Review the External Audit Independence Policy on a regular basis.

5.4 Risk Management

- Ensure that management has established a risk management framework in line with the Board's expectations which includes policies and procedures to effectively identify, treat and monitor principal risks, and regular reporting to the ARC and Board. Specific responsibilities of the ARC include:
 - Assess the effectiveness of, and monitor compliance with, the risk management framework;
 - identification of fulsome reviews on significant risks for inclusion in the agenda of the responsible Board and/or Board Committee meeting, as considered appropriate;
 - reporting to the board on progress with risk management work.

5.5 Other responsibilities

- Review the Treasury Policy and recommend for confirmation by the Board.

- Review reporting to the financiers and supervisors regarding compliance with debt covenants.
- Confirm the external audit review of the share and bond registers has been undertaken in accordance with section 218 of the Financial Markets Conduct Act 2013.
- Arrange for the Head of Risk & Assurance to review annually the Company Secretarial registers to ensure compliance with the Companies Act 1993.
- Review a report from management annually detailing how each requirement in this Charter is met.
- Assess the effectiveness of the ARC every two years. The findings should be considered by the ARC and Board and actioned appropriately.

6. Approval and Review of Charter

- The ARC Charter shall be approved by the Board.
- The ARC shall review the Charter three-yearly or as required to ensure its relevance and the effectiveness of the ARC.