

Cronin Group Plc  
Audit Committee - Terms of Reference  
(Approved by the Board on 8/3/2016)

## 1. Constitution

The Committee has been established by resolution of the Board and is to be known as the Audit Committee.

## 2. Membership

2.1 The members of the Audit Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than two members. The members of the Audit Committee shall be independent, non-executive directors of the Company. A quorum shall be two members present and voting on the matter for decision.

2.2 The Board shall appoint the chairman of the Audit Committee.

2.3 The Board shall have the power at any time to remove any members of the Audit Committee and to fill any vacancies so created.

2.4 The Company Secretary may act as the secretary of the Committee.

## 3. Attendance

3.1 The Committee shall normally invite the Chairman of the Board, the Finance Director and a representative of the external auditors to attend meetings to make proposals as necessary.

3.2 Other Board members shall also have the right of attendance, except where the Chairman requires them to be excluded for the whole or part of any meeting. Such Board members will not have the right to vote at meetings.

3.3 The Committee shall be entitled to invite other executives to attend and be heard at meetings of the Committee, but not to vote thereat.

## 4. Frequency of Meetings

Meetings shall be held at such times as the Committee deems appropriate and in any event shall not be held less than twice a year. Further meetings may be called by the Board or any member thereof, including all members of the Committee, or by the external auditors, if they consider that one is necessary.

## 5. Authority

5.1 The Audit Committee is authorized by the Board to investigate any matter within its term of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Audit Committee.

5.2 The Audit Committee is authorized to require a representative of the external auditors to attend meetings, or parts of meetings.

5.3 The Audit Committee shall at least once a year meet with the external auditors without any executive member of the Board in attendance.

5.4 The Audit Committee is authorized by the Board at the expense of the

Company 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. It is envisaged that in obtaining outside advice the Committee will act with the knowledge and approval of the Chairman and Chief Executive of the Company.

## 6. Duties

The duties of the Committee shall be to have regard to section C (Accountability) of the UK Corporate Governance Code, and in particular, shall be:

- 6.1 to review the scope and results of the annual audit and its cost effectiveness and the independence and objectivity of the auditors;
- 6.2 to consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal;
- 6.3 to keep under review the overall financial relationship between the Company and its external auditors, to ensure the maintenance of objectivity and independence;
- 6.4 to discuss with the external auditors the nature and scope of the audit and other relevant matters;
- 6.5 to review the half-year and annual financial statements, the accompanying reports to shareholders, the preliminary announcement of results and any other announcement regarding the company's results or other financial information before submission to the Board, focusing particularly on:
  - any changes in accounting policies or practices;
  - major judgemental areas;
  - significant adjustments arising from the audit;
  - the going concern statement;
  - internal control;
  - compliance with accounting standards, local and international; and
  - compliance with regulatory and legal requirements.
- 6.6 to discuss problems and reservations arising from the audit, and any matters the auditor may wish to discuss (in the absence of any executive Directors or employees where necessary);
- 6.7 to review the external auditors' management letter and management's response;
- 6.8 to review the effectiveness of the company's systems of internal control;
- 6.9 to consider other relevant matters referred to it by the Board; and
- 6.10 where the auditors supply a substantial volume of non-audit services for the company, review the nature and extent of such services with a view to balancing the maintenance of the auditors' objectivity and value for money to the company.

## 7. Internal Control

In carrying out its duties regarding internal control the Committee shall:

- 7.1 review the company's annual statement on its systems of internal control prior to endorsement by the Board and in particular review:
  - the procedures for identifying business, operational, financial, compliance and other risks and controlling their impact on the company

having regard, in particular, to any significant failings or weaknesses in internal control that have been reported;  
the actions taken to remedy any significant failings or weaknesses;  
the company's policies for preventing and detecting fraud;  
the company's policies for ensuring compliance with regulatory and legal requirements; and  
the operational effectiveness of these policies and procedures.

7.2 review such significant transactions not directly related to the company's normal business as the Audit Committee might deem appropriate;

7.3 review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the company;

7.4 review the controls over significant risks; and

7.5 review the adequacy of the company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

## 8. Annual General Meeting

The Chairman of the Audit Committee shall be available at the Annual General Meeting to answer questions on the Audit Committee's activities.

## 9. Proceedings

9.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of directors.

9.2 Except under exceptional circumstances, at least 48 hours' notice will be given of a meeting of the Committee. Such notice will include the agenda and any supporting papers.

9.3 The minutes of the meetings of the Audit Committee shall be circulated to all members of the Board.