



CLAIMS SOLUTIONS PLC

## **AUDIT COMMITTEE**

### **TERMS OF REFERENCE**

#### **CONSTITUTION**

1. The Audit Committee is a committee of the Board and shall consist of at least three Non-Executive Directors, appointed by the Board. The Committee shall appoint one of its number as Chairman
2. The members of the Audit Committee for the time being shall be:-

Christopher Baker (Chairman)  
Steve Broughton  
Robert Newton

In attendance:  
David Sandhu  
A representative of the Company's Auditors

Company Secretary:  
Peter Harrison

#### **QUORUM**

3. The quorum of the Audit Committee shall be two members.
4. All members of the Committee must be advised of the business to be transacted at any meeting at which they will not be present.

#### **PURPOSE**

5. The overall purposes of the Audit Committee shall be: -
6. To ensure that the Company's accounting and financial policies and systems for reviewing risk are proper and effective;
7. To review on behalf of the Board the accounts and financial statements of the Company;
8. To ensure the integrity of the financial statements and information published by the Company.

#### **PROCEDURE FOR MEETINGS**

9. The Company's Auditors, the Chief Executive Officer and the Finance Director will normally attend meetings of the Audit Committee, but at least once a year representatives of the Company's Auditors shall meet the Audit Committee without any Executive Directors being present, except by invitation of the Audit Committee.
10. The Chairman of the Committee shall arrange for the circulation of the Minutes of the Audit Committee's meetings to all members of the Board and to the Company's Auditors.
11. The Company Secretary shall act as secretary to the Committee.

#### **FREQUENCY OF MEETINGS**

12. It is intended that the Audit Committee shall meet at least twice each year. The Company's Auditors may request a meeting if they consider it necessary.

#### **RESPONSIBILITIES**

13. The Committee shall exercise the following powers and discretions:
  - 13.1 to recommend the appointment and remuneration of the Company's Auditors and determine, subject to Board Approval, any question of their resignation or dismissal;
  - 13.2 to satisfy itself that the Company's Auditors are independent, including monitoring the rotation of engagement partners;
  - 13.3 to discuss with the Company's Auditors before the start of each annual audit the nature and scope of the audit and external audit fees;
  - 13.4 to determine appropriate policies on the engagement of the auditors for any non-audit work;
  - 13.5 to review the half-year and annual financial statement (and related press releases) before their submission to the Board, focusing in particular on:-
    - 13.5.1 the appropriateness of the accounting policies adopted;
    - 13.5.2 any changes in accounting policies and practices;
    - 13.5.3 major judgmental areas;
    - 13.5.4 the amount of non-recurring income or expenditure included within the trading result;
    - 13.5.5 the clarity of material disclosures;
    - 13.5.6 significant adjustments arising from the audit;
    - 13.5.7 the "going concern" assumption;
    - 13.5.8 compliance with accounting standards; and

13.5.9 compliance with legal and regulatory requirements.

13.6 to discuss in the absence of the Executive Directors any problems or reservations which the Company's Auditors may have arising from final audits and any interim audits or otherwise;

13.7 to review the Auditors' management letter and management's response;

13.8 to consider the effectiveness of the Group's systems for managing risk, monitor progress and review statements on the Group's management of risk prior to approval by the Board;

13.9 to consider periodically the requirement for an Internal Audit Department and if one is established to determine, subject to Board approval, its role, reporting procedures and work programme;

13.10 to consider the major findings of any internal investigations and management's response (as appropriate, instigating such internal investigations); and

13.11 to consider any other matter specifically referred to the Audit Committee.

14. The Committee is authorised to:

14.1. investigate any activity within its terms of reference;

14.2. to seek directly any information it requires from any employee (all employees being directed to co-operate with any such request by the Committee); and

14.3. Obtain legal or professional advice as it deems necessary.