

The Gym Group plc
(the “Company”)

Audit and Risk Committee - Terms of Reference

Adopted by the board on 14 October 2015 (conditional on Admission)

1. BACKGROUND

The board of directors of the Company (the “**Board**”) has resolved to establish an Audit and Risk Committee (the “**Committee**”). These terms of reference replace any previous terms of reference for any audit or risk committee of the Board.

2. PURPOSE

2.1 The role of the Committee is to:

- (a) monitor the integrity of the financial statements and related announcements of the Company and its subsidiaries (together the “**Group**”);
- (b) review and, where appropriate, make recommendations to the Board on the adequacy and effectiveness of the Group’s internal control and risk management systems;
- (c) monitor the effectiveness and objectivity of the Company’s internal audit function (the “**Internal Audit Function**”) and the external auditor (the “**External Auditor**”);
- (d) monitor the effectiveness of the Group’s whistleblowing procedures; and
- (e) review the Group’s risk appetite (the extent and categories of risk which the board of the Company regards as acceptable for the Group to run);
- (f) review the Group’s risk management framework (embracing principles, policies, methodologies, systems, processes, procedures and people).

2.2 The Committee will take a forward looking perspective, anticipating changes in business conditions.

3. MEMBERSHIP

- 3.1 The Committee shall comprise at least three members, the majority of whom shall be independent non-executive directors (the “**Independent Non-Executive Directors**”). Membership shall include at least one member with recent and relevant financial experience and at least one member with recent, relevant and practical risk experience. The chairman of the Board (the “**Chairman**”) shall not be a member of the Committee.
- 3.2 Appointments to the Committee are made by the Board on the recommendation of the Company’s nomination committee (the “**Nomination Committee**”), in consultation with the chairman of the Committee (the “**Committee Chair**”). Appointments shall be for a period of up to three years, which may be extended by no more than two additional three year periods, provided that member continues to meet the criteria for membership of the Committee. Each member of the Committee should be capable of making a valuable contribution to the Committee such that the Committee, collectively, has the appropriate knowledge, expertise and professional experience concerning auditing policy and practices.
- 3.3 Only the members of the Committee have the right to attend and vote at Committee meetings. However, other individuals, such as the Chairman, the Chief Executive Officer, other Directors and External Advisors may be invited to attend all or part of any meeting, as and when appropriate and necessary, and with the agreement of the Committee Chair. The Committee shall remain independent of management and majority shareholders at all times.
- 3.4 The External Auditor and the Chief Financial Officer (or such other appropriate person appointed by the Committee in relation to reporting on the Group’s Internal Audit Function, such person being the **Nominated Person**) will be invited to attend all meetings of the Committee, unless agreed otherwise with the Committee Chair.
- 3.5 The Board shall appoint the Committee Chair from among the members of the Committee, and who shall be an Independent Non-Executive Director, on the recommendation of the Nomination Committee. In the absence of the Committee Chair and/or an appointed alternate member, the remaining members present at any meeting shall elect one of their number who would qualify under these Terms of Reference to be appointed to that position by the Board to chair the meeting. If any member of the Committee is unable to act for any reason, the Committee Chair may appoint another independent non-executive director of the Company agreed by the other members of the Committee to act as that member’s alternate.
- 3.6 The Company Secretary, or his or her nominee, shall act as the secretary of the Committee (the “**Secretary**”) and shall ensure that where members have concerns on any matters raised or any proposed action, those concerns are recorded in the Committee minutes.

- 3.7 The Committee Chair and members of the Committee shall be listed each year in the Company's annual report.
- 3.8 Each member of the Committee shall disclose to the other members of the Committee:
- (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship; and
- any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

4. QUORUM

The quorum necessary for the transaction of business at Committee meetings shall be two members present throughout the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. MEETINGS

- 5.1 The Committee shall meet at least four times a year, at appropriate times in the reporting and audit cycle and, at such other times as the Committee Chair, the External Auditor lead partner or any member of the Committee may request.
- 5.2 Outside the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Nominated Person and the External Auditor lead partner.
- 5.3 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers shall be issued to each Committee member and, as appropriate, any other person invited to attend, no later than three working days before the date of the meeting, to enable full and proper consideration to be given to the issues. All reasonable efforts should be made to arrange such meetings so that members are able to attend them.
- 5.4 Members of the Committee may participate and be included in any quorum in any Committee meetings by means of conference telephone or similar communication equipment whereby all persons participating in the meeting can hear each other, provided the meeting is quorate. Such meetings shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Committee Chair is.

- 5.5 In the event of an equality of votes, the Committee Chair shall have a casting vote.
- 5.6 The Secretary shall ascertain at the beginning of each meeting of the Committee the existence of any conflicts of interest and minute them accordingly.

6. AUTHORITY

- 6.1 The Board authorises the Committee to:
- (a) investigate any activity within these Terms of Reference and make recommendations to the Board which it deems appropriate on any area within its remit where action or improvement is needed;
 - (b) seek any information it requires from, or request the attendance at any of its meetings of, any director or employee of the Group and all directors and employees are expected to co-operate with any requests made by the Committee;
 - (c) obtain, at the Company's expense, such legal, accounting or other external professional advice and to secure the attendance at meetings of outsiders with relevant experience and expertise as it considers necessary;
 - (d) where there is disagreement between the Committee and the Board, ensure adequate time is made available to reach a satisfactory resolution, but where resolution cannot be achieved, the Committee has the right to report the issue to the shareholders in the annual report;
 - (e) ensure that where members have concerns on any matters raised or any proposed action, those concerns are recorded in the Committee minutes; and
 - (f) delegate any of its powers to one or more of its members or the Secretary (while being mindful of the Committee's duties under these terms of reference).
- 6.2 The Committee should have consideration to the potential added value that may be gained by drawing on external input to its work as a means of taking full account of relevant experience elsewhere and in challenging its own analysis and assessment.

7. DUTIES AND RESPONSIBILITIES

- 7.1 The Committee should make available its Terms of Reference, by including the information on the Company's website, explaining its role and the authority delegated to it by the Board.

Financial Reporting

- 7.2 The Committee shall monitor the integrity of the financial statements of the Group, including the annual report, half yearly reports and any other formal announcement relating to its financial performance and position, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the External Auditor.
- 7.3 In particular, the Committee shall review and challenge when necessary:
- (a) the consistency of application, and any changes to, significant accounting policies both on a year-on-year basis and across the Group;
 - (b) the methods used to account for significant or unusual transactions where alternative approaches exist;
 - (c) whether appropriate accounting standards have been followed and appropriate estimates and judgements made, taking into account the views of the External Auditor;
 - (d) the appropriateness, clarity and completeness of disclosure in the Group's financial statements and the context in which statements are made, including the going concern statement to be made by the Board and the related information in the financial statements;
 - (e) the pension valuation and actuarial assumptions; and
 - (f) whether all material information is presented within the financial statements, and if relevant the strategic review, directors' report, corporate governance report and risk management report.
- 7.4 The Committee shall review and monitor any significant adjustments arising from the audit.
- 7.5 Where, following its review, the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

Narrative Reporting

- 7.6 The Committee shall review the contents of the Company's annual report and with the support of the External Auditor:
- (a) assess whether management has made appropriate estimates and judgements; and

- (b) where requested by the Board, provide advice on whether the annual reports and accounts, taken as a whole, is balanced, fair and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Internal controls and risk management systems

7.7 The Committee shall:

- (a) keep under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems;
- (b) review and monitor management's responsiveness to addressing control weaknesses and non-compliance with laws, regulation and internal policies and other weaknesses identified by the Internal Audit Function and the External Auditor;
- (c) review the adequacy and security of arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the proportionate and independent investigation of such matters, and for appropriate follow-up action;
- (d) review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Group's compliance function;
- (e) consider the major findings of internal investigations and management's response;
- (f) review and approve the statements to be included in the Company's annual report concerning internal controls and risk management; and
- (g) report any material incident or findings to the Board.

7.8 The Committee is authorised by the Board to investigate any activity within the scope of its duties.

Compliance and fraud

7.9 The Committee shall:

- (a) review the Group's procedures for detecting fraud;
- (b) review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance;

- (c) review regular reports from the such person deemed appropriate by the Committee and the adequacy and effectiveness of the Group's anti-money laundering systems and controls; and
- (d) provide advice, oversight and challenge necessary to embed and maintain a support risk culture throughout the Group.

Internal Audit

7.10 The Committee shall monitor and review the effectiveness of the Group's Internal Audit Function, including:

- (a) approving the appointment and removal of the Nominated Person and ensuring that he or she has direct access to the Committee Chair, the Chairman and the Chief Executive Officer, provided that the Nominated Person remains accountable to the Committee at all times;
- (b) ensuring that the reporting line for the Nominated Person in relation to the Group's Internal Audit Function is primarily to the Committee Chair with a secondary reporting line to the Chief Executive Officer;
- (c) ensuring the Nominated Person has the appropriate standing, access and authority to challenge the management of the Group, free from management or other restrictions;
- (d) considering and approving the remit of the Internal Audit Function and any modifications thereto;
- (e) reviewing and approving the annual internal audit plan (the "**Internal Audit Plan**") and any modifications made to the same, ensuring the Internal Audit Plan prioritises highest and emerging risk areas facing the Group, and where appropriate, request that the Internal Audit Function undertakes specific work;
- (f) approving the Group's annual internal audit budget (the "**Internal Audit Budget**") and ensuring the Internal Audit Function has adequate resources and appropriate access to information to enable it to perform its function effectively and, in accordance with the relevant professional standards for internal auditors;
- (g) regularly reviewing the skills required to conduct internal audit work and an assessment of whether the Internal Audit Budget is sufficient to allow the Internal Audit Function to recruit and retain staff with the expertise and experience necessary to provide effective challenge throughout the Group and to the management;

- (h) approving the appointment and removal of third parties who supply services to the Internal Audit Function;
- (i) reviewing reports addressed to the Committee from the Nominated Person including:
 - (i) reports on significant control weaknesses and breakdowns identified by the Internal Audit Function within the Group, together with root-cause analysis, and any thematic issues across the Group;
 - (ii) the Internal Audit Function's independent view of management's reporting on the risk management of the Group, including a view on management's remediation plans; and
 - (iii) at least, an assessment of the overall effectiveness of the governance, and risk and control framework of the Group, together with an analysis of themes and trends emerging from the Internal Audit Function's work and their impact on the Group's risk profile;
- (j) reviewing and monitoring management's responsiveness to findings and recommendations of the Nominated Person, including the progress in addressing internal audit actions;
- (k) organising an independent and objective external review of the performance of the Internal Audit Function every three years and in doing so, identifying appropriate criteria for defining the success of the Internal Audit Function (for the avoidance of doubt, delivery of the Internal Audit Plan shall not be the sole criterion of this evaluation); and
- (l) meeting the Nominated Person at least once a year, without other Executive management being present, to discuss his or her remit and any issues arising from the internal audits being carried out.

7.11 In addition, other than where the Chief Financial Officer is the Nominated Person, the Committee Chair shall also be responsible for:

- (a) setting and reviewing the objectives of the Nominated Person, following contribution from the Chief Executive Officer;
- (b) assessing the performance of the Nominated Person, taking into account the views of the Nominated Person, and considering whether the independence and objectivity of the Nominated Person has been maintained before giving approval to their performance rating; and
- (c) recommending the remuneration of the Nominated Person to the Company's Remuneration Committee, ensuring that the remuneration of the Nominated

Person and the Internal Audit Function staff is structured in a manner such that it avoids conflicts of interest, does not impair their independence and objectivity and is not directly or exclusively linked to the short term performance of the Group.

External Audit

- 7.12 The Committee shall monitor and review the effectiveness of the External Auditor, including:
- (a) considering and making recommendations to the Board, in relation to the selection, appointment, re-appointment and removal of the Company's External Auditor, to be put to the shareholder(s) for approval, overseeing the selection process for a new External Auditor and in the event of the resignation of an External Auditor, investigating the issues surrounding this and whether any action is required;
 - (b) ensuring that at least once every ten years, and in compliance with all relevant legislation, the external audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent External Auditor with those of other audit firms; and in respect of such tender, oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals throughout the duration of the tendering process;
 - (c) overseeing the relationship with the External Auditor including, but not limited to:
 - (i) reviewing and approving their terms of engagement, including any engagement letter issued at the start of each audit, the scope of the audit and their remuneration fees for audit and non-audit services, ensuring the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - (ii) discussing with the External Auditor, before the audit commences, the nature and scope of the audit and reviewing the External Auditor's quality control procedures and steps taken by the External Auditor to respond to changes in regulatory and other requirements;
 - (iii) reviewing and monitoring their independence and objectivity and the effectiveness of the audit process taking into account relevant UK professional and regulatory requirements and the relationship with the External Auditor as a whole, including the provision of any non-audit services;

- (iv) assessing annually the qualifications, expertise and resources of the External Auditor and the effectiveness of the audit process, which shall include a report from the External Auditor on their own internal quality procedures;
 - (v) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the External Auditor and the Group (other than in the ordinary course of business) which could adversely affect the External Auditor's independence and objectivity;
 - (vi) monitoring the External Auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - (vii) agreeing with the Board a policy on the employment of former employees of the External Auditor, and monitoring the implementation of this policy;
 - (viii) seeking to ensure co-ordination with the activities of the Internal Audit Function by monitoring and reviewing the effectiveness of the relationship between the External Auditor and the Internal Audit Function; and
 - (ix) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of the External Auditor from the market in that evaluation;
- (d) meeting regularly with the External Auditor and other audit partners and staff, including once at the planning stage before the audit and once after the audit at the reporting stage;
 - (e) meeting the External Auditor at least once a year without management being present, to discuss the External Auditor's remit and any issues arising from the audit;
 - (f) reviewing and approving the annual external audit plan (the "**External Audit Plan**") and any interim audit plan to ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the External Auditor team; and
 - (g) reviewing the findings of any annual or interim audit with the External Auditor (in the absence of management if necessary), which includes, but is not limited, to the following:

- (i) a discussion of any significant issues which arose during the audit;
- (ii) key accounting estimates and audit judgements;
- (iii) the level of errors identified during the audit, obtaining explanations from management and, where necessary, the External Auditor as to why certain errors might remain unadjusted;
- (iv) the effectiveness of the audit process;
- (v) reviewing any representation letter(s) requested by the External Auditor before they are signed by management, giving particular consideration to matters where representation has been requested that relates to non-standard issues;
- (vi) reviewing the management letter and management's response to the External Auditor's findings and recommendations;
- (vii) resolving any disagreement between management and the External Auditor regarding financial reporting; and
- (viii) any reservations that the External Auditor may have and other matters that they wish to raise.

Non-Audit Services Policy

- 7.13 The Committee shall develop and implement a policy on the supply of non-audit services by the External Auditor to avoid any threat to auditor objectivity and independence (including specifying the types of non-audit services, if any, and specifically which non-audit services cannot be undertaken by the External Auditor), taking into account all relevant legislation and any relevant ethical guidance on the matter.
- 7.14 The Committee must consider and approve all non-audit services to be provided by the External Auditor where the fees proposed exceed those limits outlined in the policy.

Whistle blowing

- 7.15 The Committee shall:
- (a) review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrong doing in accounting controls and financial reporting or other matters, ensuring that these arrangements allow a proportionate and independent investigation of such matters and appropriate follow up action; and

- (b) review the reports addressed to the Committee from the Nominated Person on whistle blowing instances and make recommendations to the Board as it deems appropriate on any findings or improvements, where required.

Setting risk appetite, risk framework, limits and strategy

7.16 Subject to the Committee's authority (set out above) the Committee shall:

- (a) consider and recommend for approval by the Board the Group's risk appetite, tolerance and strategy and risk framework and limits as well as the metrics to be used, for current and future strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments such as those published by the Bank of England, the Prudential Regulation Authority, the Financial Conduct Authority and other authoritative sources that may be relevant for the Group's risk policies;
- (b) oversee and advise the Board on the current risk exposures of the Group and future risk strategy, and assist the Board in overseeing the implementation of that strategy in accordance with the Board's approved risk appetite;
- (c) in relation to risk assessment:
 - (i) to keep under review the Group's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
 - (ii) to review regularly and to approve the parameters used in these measures and the methodology adopted; and
 - (iii) to set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance; and
- (d) understand and oversee management of the key risk exposures of the Group with particular, but not exclusive emphasis on prudential and conduct risks.

Monitoring the business operation within the Group's risk appetite

7.17 The Committee shall:

- (a) review the Group's capability, including adequacy and effectiveness of the technology infrastructure supporting the risk management framework, to identify and manage new risk types and ensure the suitability of data captured;
- (b) review the adequacy of the risk management framework and the appropriateness of risk measurement systems;

- (c) review and monitor the risk profile of the Group and performance against risk appetite and receive and review reports relating to any material breaches of risk limits and the adequacy of proposed action;
- (d) review reports on any material breaches of risk limits and the adequacy of proposed action; and
- (e) ensure the adequacy of the Group's insurance coverage.

Strategic transactions

- 7.18 The Committee shall, before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focussing in particular on risk aspects and implications for the risk appetite and tolerance of the Group, taking independent external advice where appropriate.

Adjustment to reward for risk

- 7.19 The Committee shall:
- (a) determine the nature, the amount, the format, and the frequency of the information on risk which it is to receive in order to assist in the establishment of sound remuneration policies and practices;
 - (b) provide qualitative and quantitative advice on an annual basis to the Remuneration Committee on considerations to be applied to performance objectives incorporated in executive remuneration; and
 - (c) without prejudice to the tasks of the Remuneration Committee, examine whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.

Risk management

- 7.20 The Committee shall:
- (a) consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
 - (b) have oversight and challenge of the day-to-day risk management and oversight arrangements of the Board; and

- (c) ensure the function has adequate independence and is free from management or other restrictions.

Other

7.21 The Committee shall:

- (a) meet each of the Chief Executive Officer and the Nominated Person, at least once a year, without other Executive management being present, to discuss any issue such Officer or the Committee wishes to raise; and
- (b) review significant legal and regulatory matters and necessary statements for inclusion in the statutory accounts.

8. REPORTING

8.1 The reporting responsibilities of the Committee shall be:

- (a) to review the statement by the directors to be included in the half yearly and annual accounts whereby the directors should state whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- (b) to review the content of the annual report and accounts and with the support of the External Auditor where requested by the Board, provide advice on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- (c) to review the statement by the directors to be included in the directors' report (to shareholders as contained in the annual report) describing the roles and responsibilities of the Committee and actions taken by the Committee to discharge those responsibilities; as well as listing the names and qualifications of all members of the Committee, the number of Committee meetings and attendance by each member;
- (d) to review the statement by the directors to be included in the annual report in relation to internal control and the management of risk;
- (e) to review the statement by the directors to be included in the annual report that the directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity (including an explanation as to how these risks are being managed or mitigated);

- (f) to review the statement by the directors to be included in the annual report setting out how the directors have assessed the prospects of the Company, over what period and why they consider that period to be appropriate (including whether the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary); and
 - (g) if the External Auditor provides non-audit services, to provide an explanation for inclusion in the annual report of how auditor objectivity and independence is safeguarded.
- 8.2 The Committee Chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities. This report shall include:
 - (a) the significant issues that it considered in relation to financial statements and how these were addressed;
 - (b) its assessment of the effectiveness of the external audit process and its recommendation on the appointment or re-appointment of the External Auditor; and
 - (c) any other issues on which the Board has requested the Committee's opinion.
- 8.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.4 The Committee shall report formally to the Board on its activities to be included in the Company's annual report. The report should include:
 - (a) an explanation of how the Committee has addressed the effectiveness of the external audit process;
 - (b) the membership of the Committee and a description of its duties and activities during the year, together with an explanation of the Group's risk management and strategy;
 - (c) the significant issues that the Committee considered in relation to financial statements and how these issues were addressed, having regard to matters communicated to it by the External Auditor; and
 - (d) all other information requirements set out in the UK Corporate Governance Code and other relevant legislation.

- 8.5 The Committee shall review and agree any risk disclosures in the financial statements (including in annual reports, half yearly reports and interim management statements (if published)).
- 8.6 The Committee has the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.
- 8.7 The Committee Chair shall be available to answer questions about the Committee's activities at the annual general meeting of the Company. All other members of the Committee shall also attend the annual general meeting.
- 8.8 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Draft minutes of Committee meetings should be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.
- 8.9 The Committee shall provide such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.
- 8.10 In carrying out the responsibilities of the Committee, the members will act in accordance with all relevant legislative and regulatory rules applicable to directors. In particular, they will take into account the Listing Rules and the Disclosure Rules and Transparency Rules issued by the Financial Conduct Authority, the Directors' Duties contained in the Companies Act 2006, best practice principles of the UK Corporate Governance Code and any other relevant factors.

9. REVIEW

- 9.1 The Committee will conduct an annual review of its performance and ensure that it is provided with sufficient resources to undertake its duties and that sufficient training is provided to members on appointment and on an on-going basis (to include developments in financial reporting, and relevant legal and regulatory developments and such other topics as the Committee members or Company Secretary consider relevant) and recommend any changes that it considers necessary to the Board for approval.
- 9.2 In addition, the Committee should obtain an independent and objective external assessment of the Internal Audit Function every three years. This can take the form of periodic reviews of elements of the Internal Audit Function, or a single review of the overall function. The conformity of the Internal Audit Function with these Terms of Reference should be explicitly included in this evaluation and the Committee Chair should oversee and approve the appointment process for the independent assessor.
- 9.3 These Terms of Reference shall be reviewed by the Committee and, where necessary, updated at least once a year.