

Malin Corporation plc (the "Company")

Terms of reference for the Audit Committee (the "Committee")

of the Board of Directors (the "Board")

Adopted by the Board on 3rd March 2015

There shall be established a committee of the Board, duly constituted in accordance with the main provisions of the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Sized Quoted Companies (the "QCA Code") and the Company's articles of association, to be known as the Audit Committee.

1. MEMBERSHIP

- 1.1. Members of the Committee shall be appointed by the Board on the recommendation of the nominations Committee in consultation with the chairman of the audit Committee. The Committee shall be made up of at least three non-executive directors of the Board, a majority of whom shall be independent non-executive directors. In addition, at least one of the members of the Committee shall have recent and relevant financial experience.
- 1.2. Members of the committee have the right to attend committee meetings. All other directors of the Company shall have a standing invitation but not an obligation to attend Committee meetings subject to discussing their attendance with the Committee Chairman prior to the relevant meeting. Other representatives from the service providers to the Company may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.3. The external auditors will be invited to attend meetings of the Committee on a regular basis.
- 1.4. Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to meet the criteria for membership of the Committee.
- 1.5. The Board shall appoint the Committee chairman who shall be an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not be the chairman of the Committee.
- 1.6. The Board will have the authority to remove any Committee member at any time without cause.

2. SECRETARY

The Company secretary or his nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. MEETINGS

- 3.1. The quorum necessary for the transaction of business shall be two members. 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.
- 3.2. The Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle of the Company and otherwise as required.
- 3.3. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman or at the request of external auditors if they consider it necessary.
- 3.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, if any, no later than five working days before the date of the meeting.

Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

- 3.5. The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 3.6. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, if any, unless it would be inappropriate to do so in the opinion of the Committee chairman.

4. ANNUAL GENERAL MEETING

The Committee chairman should attend the annual general meeting to answer shareholder questions on the Committee's activities.

5. DUTIES

The Committee should carry out the duties below in respect of the Company and, where appropriate, reference to the Company includes its subsidiaries and the group as a whole:-

5.1. Financial Reporting

5.1.1. The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and interim management statements and any other formal announcements relating to the Company's financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain. The Committee shall also review and report to the Board on summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

5.1.2. In particular, the Committee shall review and challenge where necessary:

- (1) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company and, if applicable, its subsidiaries;
- (2) the methods used to account for significant or unusual transactions where different approaches are possible;
- (3) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (4) the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
- (5) all material information presented with the financial statements, such as the business review the operating and financial review and the corporate governance statement (insofar as it relates to the audit and to risk management).

5.1.3. The Committee shall review the annual and interim financial statements.

5.1.4. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

5.2. Narrative Reporting

5.2.1. The Committee should review the content of the annual report and accounts and advise the Board 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.

5.3. Internal Controls and Risk Management Systems

The Committee shall:

- 5.3.1. keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- 5.3.2. review and approve the statements to be included in the annual report concerning internal controls and risk management;
- 5.3.3. establish and maintain a risk register to include an assessment of all risks facing the Company, including, but not limited to, economic, political, financial and operational risk, the relevant level of risk anticipated (high, medium, low) and the effectiveness of existing or proposed mitigating or corrective actions or controls in respect of key risk areas (the **Risk Register**);
- 5.3.4. consider and agree upon mitigating or corrective actions to be undertaken in respect of key risks, including where existing actions or controlled are considered inadequate relative to the relevant risk;
- 5.3.5. regularly update the Risk Register in order to:
 - (1) identify new risks and any existing or proposed mitigating or corrective actions or controls in respect of key risk areas;
 - (2) reflect, in respect of existing risks, any corrective action undertaken in the intervening period between Committee meetings and the results of such action; and
 - (3) forecast any changes to the Company's risk profile.

The Board retains responsibility for the review of the effectiveness of the Company's systems of internal controls and risk management and must form its own opinion despite aspects of that review being delegated to the Committee.

5.4. **Compliance, Whistleblowing and Fraud**

The Committee shall:

- 5.4.1. review the adequacy and security of the Company's arrangements for its employees and contractors, if any, to raise concerns in confidence about possible wrongdoing in financial reporting or other matters, and ensure that these arrangements allow proportional and independent investigation of such matters and appropriate follow-up action;
- 5.4.2. review the Company's procedures for the detection of fraud;
- 5.4.3. establish procedures to comply with applicable legislation and communicate same to employees of the Company;
- 5.4.4. review regular reports from the chief financial officer of the Company (**CFO**) who shall monitor the activities of the Company in respect of the adequacy and effectiveness of the Company's anti-money laundering and prevention of bribery systems and controls.

5.5. **Internal Audit**

The Committee shall keep under review the need for an internal audit function in the context of the Company's overall risk management system.

5.6. **External Audit**

The Committee shall:

- 5.6.1. consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting of the Company, in relation to the appointment, re-appointment and removal of the Company's external auditor. If the Board does not accept the Committee's recommendation on the appointment, re-appointment and removal of external auditors, the Committee shall prepare a statement explaining the Committee's

recommendation which shall be included in the annual report and in any papers recommending appointment or re-appointment together with the Board's reasons for taking a different position. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

- 5.6.2. oversee the relationship with the external auditor including (but not limited to):
- (1) approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - (2) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - (3) assessing annually their performance, independence and objectivity and the effectiveness of the audit process taking into account relevant Irish professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (4) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and loyalty;
 - (5) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - (6) assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
 - (7) monitoring the adequacy of the internal control procedures relating to the Company;
 - (8) seeking to ensure co-ordination with the activities of the internal audit function; and
 - (9) 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 auditor from the market in that evaluation.
- 5.6.3. meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year to discuss their remit and any issues arising from the audit;
- 5.6.4. review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- 5.6.5. review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
- (1) a discussion of any major issues which arose during the audit;
 - (2) any accounting and audit judgements;
 - (3) levels of errors identified during the audit; and
 - (4) the effectiveness of the audit process.
- 5.6.6. review any representation letter(s) requested by the external auditor before they are signed by management;
- 5.6.7. review the management letter and management's response to the auditor's findings and recommendations; and

- 5.6.8. develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.

6. REPORTING RESPONSIBILITIES

- 6.1. The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, and shall also formally report on how it has discharged its responsibilities.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3. The Committee shall compile a report on its activities to be included in the Company's annual report. The report should include: an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor; if an external auditor provides non-audit services, an explanation of how the auditor's objectivity and independence are safeguarded; the approach taken to the appointment or reappointment of the external auditor and information on the length of tenure of the current audit firm. The annual report shall also list the names of all members of the Committee, the number of Committee meetings and attendance by each member.

7. OTHER MATTERS

The Committee shall:

- 7.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 7.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 7.3. be responsible for co-ordination of the external auditors;
- 7.4. oversee any investigation of activities which are within its terms of reference;
- 7.5. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 7.6. make available its terms of reference, including its role and the authority delegated to it by the Board.

8. VOTING ARRANGEMENTS

- 8.1. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

9. AUTHORITY

The Committee is authorised to:

- 9.1. seek any information it requires from any of the service providers of the Company in order to perform its duties;
- 9.2. obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference, such advice to be coordinated through the chairman of the Committee;
- 9.3. call any service provider of the Company to be questioned at a meeting of the Committee as and when required; and

- 9.4. do all other matters as it believes appropriate in respect of the conduct of its duties, including, without limitation, the matters referred to herein.