

**GLOBEOP FINANCIAL SERVICES S.A.**

**(the “Company”)**

**AUDIT COMMITTEE**

**(the “Committee”)**

**TERMS OF REFERENCE**

**(as approved by the Board of Directors of the Company on 12 June 2007)**

**1 CONSTITUTION**

The Committee is a committee of the board of directors of the Company (the “Board”) appointed by the Board on the recommendation of the Nomination Committee, in consultation with the chairman of the Committee. The Board shall appoint the Committee chairman.

**2 MEMBERSHIP**

- 2.1** The Committee shall comprise a chairman and at least two other members.
- 2.2** All members of the Committee shall be independent non-executive directors and shall have no affiliation with the external auditors. A new chairman of the Committee will be elected every three years.
- 2.3** At least one member of the Committee will have recent, relevant financial experience.
- 2.4** Members of the Committee may serve for a period of up to three years. This may be extended for no more than two additional periods of three years, provided the director remains independent.
- 2.5** The Committee may invite any persons to attend a meeting of the Committee as it deems fit. A representative of the external auditors shall be invited by the Committee its meetings on a regular basis.
- 2.6** A person nominated by the Committee shall be the secretary of the Committee.

**3 MEETINGS**

- 3.1** The Committee shall meet as appropriate, but not less than three times a year.

- 3.2** A meeting of the Committee may be called by the secretary at the request of any member of the Committee, or at the request of external auditors if they consider it necessary.
- 3.3** Meetings of the Committee shall be called by giving five working days' written notice unless all the members of the Committee agree to shorter notice. Notice will be given to all members and attendees, and will confirm the venue, time and date of the proposed meeting and provide the agenda and supporting papers.
- 3.4** Members may participate in a meeting by means of a conference telephone, video conferencing facility or other similar communicating equipment.
- 3.5** The quorum for the Committee meetings shall be a majority of the Committee members. In the absence of the Chairman or a nominated deputy, the remaining members shall elect one of themselves to chair the meeting.
- 3.6** The Committee will meet with the external auditors at least annually without any executive directors present; the external auditors have the right to request such meetings if they consider them necessary.
- 3.7** A sufficient time interval will be allowed between Committee and Board meetings to allow work arising from Committee meetings to be carried out and reported to the Board as appropriate. The chairman of the Committee will report to the Board at the next Board meeting after each Committee meeting on the proceedings of the Committee at that meeting, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. Once a year the Committee will report to the Board in writing on its work in the preceding financial year. A summary of such reports including reference to examination of the annual accounts shall be included in a separate section of the Company's annual report and accounts for the year in question. Where the external auditor provides non-audit services, an explanation as to how auditor objectivity and independence is safeguarded will be given.
- 3.8** The secretary will minute the proceedings and resolutions of all meetings as well as keep appropriate records.
- 3.9** The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest that exist for any committee members in relation to an agenda item and minute them accordingly.
- 3.10** Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

**3.11** The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

#### **4 ANNUAL GENERAL MEETING**

The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

#### **5 TERMS OF REFERENCE**

##### **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 financial reports, interim management statements, any preliminary results' announcements or other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

**5.1.2** The Committee shall review and challenge where necessary:

**5.1.3** the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company/group:

- (a)** the methods used to account for significant or unusual transactions where different approaches are possible;
- (b)** whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (c)** the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
- (d)** all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

## **5.2 Internal Controls and Risk Management Systems**

The Committee shall:

- 5.2.1** keep under review the effectiveness of the Company's internal controls and risk management systems; and
- 5.2.2** review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

## **5.3 Whistleblowing**

The Committee shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

## **5.4 External Audit**

The Committee shall:

- 5.4.1** consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor. 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;
- 5.4.2** oversee the relationship with the external auditor including (but not limited to):
  - (a)** approval of their remuneration, whether fees for audit or non audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
  - (b)** approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - (c)** assessing annually their independence and objectivity taking into account relevant Luxembourg and, to the extent relevant due to the Company's listing on the London Stock Exchange, UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non audit services;

- (d) 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);
- (e) agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
- (f) 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; and
- (g) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;

**5.4.3** 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, without management being present, to discuss their remit and any issues arising from the audit;

**5.4.4** review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;

**5.4.5** review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

- (a) a discussion of any major issues which arose during the audit,
- (b) any accounting and audit judgements, and
- (c) levels of errors identified during the audit.

The Committee shall also review the effectiveness of the audit.

**5.4.6** review any representation letter(s) requested by the external auditor before they are signed by management;

**5.4.7** review the management letter and management's response to the auditor's findings and recommendations; and

- 5.4.8** develop a policy on the supply of non audit services by the external auditor, taking into account any relevant ethical guidance on the matter and oversee the implementation of such policy by the management of the Company.

## **5.5 Reporting Responsibilities**

- 5.5.1** The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.5.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.5.3** The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report.

## **5.6 Other Matters**

The Committee shall:

- 5.6.1** have access to sufficient resources in order to carry out its duties, including access to the administrative or secretarial services of the Company for assistance as required;
- 5.6.2** be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 5.6.3** give due consideration to applicable laws and regulations, the provisions of the Combined Code (as far as practicable) and the requirements of the UK Listing Authority's Listing Rules and Disclosure and Transparency Rules as appropriate;
- 5.6.4** be responsible for establishing the selection criteria and selecting, appointing and setting the Terms of Reference for the external auditors;
- 5.6.5** oversee any investigation of any claims of impropriety in the financial reporting or audit processes or any allegations of fraud and act as final arbiter in respect of the results of such investigations;
- 5.6.6** 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

**5.6.7** to make its terms of reference available publicly.

## **6 AUTHORITY**

**6.1** The Board is permitted by the Articles to delegate powers to the Committee.

**6.2** The Committee shall:

**6.2.1** have the right to seek and to be provided with any necessary information to fulfil its duties;

**6.2.2** have the right to obtain outside legal help and any professional advice, at the Company's expense, which might be necessary for the fulfilment of its duties; and

**6.2.3** have the power to call any member of staff to be questioned at a meeting of the Committee as and when required.

The Committee may invite anyone with relevant experience to attend if necessary.

## **7 DECISIONS**

Any decisions of the Committee shall be taken on a simple majority basis. The chairman will have a casting vote in the event of equality of voting.