



Supply Network Limited Audit Committee Charter

Constitution

The Audit Committee has been established by resolution of the Board.

This Charter has been approved by the Board and will be reviewed at least annually.

Membership

The committee shall be members of, and appointed by, the Board of Directors and shall preferably comprise at least three non-executive directors that have diverse, complementary backgrounds, and the majority are to be, where possible, independent of management and the company.

In addition, the committee chair shall have leadership experience and a strong finance, accounting and/or business background, and where possible, not be the Chairman of the Board of Directors.

All committee members shall be financially literate, or become financially literate within a reasonable period of time after appointment. Furthermore, at least one member shall have accounting and/or related financial management expertise as determined by the Board of Directors.

Meetings

The committee shall meet at least two times each year. The purpose of these meetings shall be to:

- Review and approve external audit plans.
- Review and approve the half-year financial report.
- Update the external audit plans.
- Review and approve the annual financial report.

Furthermore, the committee shall meet as and when appropriate to discuss any other matters that warrant committee attention.

External auditors, members of management and any other person may be invited to attend where appropriate.

A quorum is 2 members.

Purpose

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the company's financial reporting, internal control structure and external audit functions. In doing so, it is the responsibility of the committee to maintain free and open communication between the committee, external auditors, and management of the company.

In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the company and has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

Duties and Responsibilities

Financial Reporting

The primary responsibility of the Audit Committee is to oversee the company's financial reporting processes on behalf of the Board and report the results of its activities to the Board.

Whilst the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits.

The Board of Directors is responsible for the company's financial reports including the appropriateness of the accounting policies and principles that are used by the company.

The external auditors are responsible for auditing the company's financial reports and for reviewing the company's interim financial reports.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee will take appropriate actions to set the overall corporate 'tone' for quality financial reporting.

The following shall be the principal duties and responsibilities of the Audit Committee. These are set forth as a guide with the understanding that the committee may supplement them as appropriate.

Assessment of accounting, financial and internal controls

The committee shall discuss with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls. Any opinion obtained from the external auditors on the company's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method.

The committee shall meet periodically with management and the external auditors to discuss issues and concerns warranting committee attention, including but not limited to, their assessments of the effectiveness of internal controls and the process for improvement.

The committee shall provide sufficient opportunity for the external auditors to meet privately with the members of the committee.

The committee shall review with the external auditor any audit problems or difficulties and management's response.

The committee shall receive regular reports from the external auditor on the critical policies and practices of the company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

Appointment of external auditors

The committee shall be directly responsible for making recommendations to the Board of Directors on the appointment, rotation, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting.

The committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of the company.

The committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

Assessment of the external audit

The committee, at least on an annual basis, shall obtain and review a report by the external auditors describing (or meet and discuss the following with them):

- The audit firm's internal quality control procedures.
- Any material issues raised by the most recent internal quality control review of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- All relationships between the external auditor and the company (to assess the auditor's independence).

In addition, the committee shall set clear hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgment or independence in respect of the company.

Independence of the external auditors

The committee shall review and assess the independence of the external auditor, including but not limited to any relationships with the company or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of the company.

Scope of the external audit

The committee shall discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures. The committee shall also review the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.

Management representations

The committee shall review all representation letters signed by management to ensure that the information provided is complete and appropriate.

Complaints

The committee shall establish procedures for the receipt, retention, and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters.

Committee Performance

The committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.