

MGL-GOV-001 Rev 3

Monadelphous Group

Audit Committee Charter

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1.0 PURPOSE

The Board of Directors of Monadelphous Group Limited (“the Board”) has established an Audit Committee (“the Committee”) within the terms of the “Board Committee Charter” (“Board Charter”) to oversee:

- the financial reporting processes of the company to ensure financial accounts and statements, approved and published by the Board from time to time, are complete, accurate and timely.
- the company’s relationship with the external auditors.
- the internal controls, policies and procedures which the Group uses to identify and manage business risks.
- the policies and procedures for ensuring compliance with relevant regulatory and legal requirements.

2.0 ROLE

The role of the Committee shall include:

- the review of all published financial accounts of the group which require approval by the Board of Directors, and discussion of the accounts with the external auditors and management prior to their submission to the Board.
- the review of the audit plans for the external auditors.
- the review of the planned external audit scope to ascertain the extent to which it can be relied upon to detect weaknesses in internal control, fraud, other illegal acts or non compliance with other legal requirements.
- the assessment of management’s programmes and policies which deal with the adequacy and effectiveness of internal controls over the company’s accounting and financial reporting systems.
- the review of all management letters issued by the external auditors and review any significant recommendations by the auditors to strengthen the internal controls and reporting systems of the group.
- the review of any changes in accounting policies or practices and subsequent effects on the financial accounts of the group.
- the review of any accruals, provisions, or estimates which are subject to judgment and significantly affect the financial accounts as well as other sensitive matters, such as disclosure of related party transactions.
- the review, jointly with management, of the external auditors to ensure that there are no unresolved issues between the parties that could materially affect the audited financial accounts and that there is a good working relationship between management and the auditors.
- the review, with management, of the terms of the external audit engagements in order to make recommendations to the Board concerning the appointment, re-appointment, removal and remuneration of the external auditors.
- the assessment of the effectiveness of risk management procedures, internal controls, policies and procedures in identifying business and financial risks and controlling their financial impact by considering any significant matters identified by management.

- the consideration of any other matter which, in its judgment, should be taken into account in reaching its recommendations to the Board concerning the approval of the financial accounts.

3.0 STRUCTURE

- 3.1 The Committee shall be structured in accordance with the Board Charter and shall consist of:
- at least three members
 - the majority of which are non-executive directors
 - members who are all financially literate (i.e. are able to read and understand financial statements)
 - at least one member who has financial expertise (i.e. is a qualified accountant or other financial professional with experience of financial and accounting matters).
- 3.2 The Chairman of the Committee is to be an independent non-executive director and is to be appointed by the Board (but is not to be the Chairman of the Board).
- 3.3 The Board may determine the appointment of any member of the Committee at any time.
- 3.4 The Chief Financial Officer or his nominee may be invited to attend all meetings of the Committee.
- 3.5 The external auditors of the company may be invited to attend meetings of the Committee.
- 3.6 The Committee may invite such other parties to attend meetings as deemed appropriate.
- 3.7 The Company Secretary shall act as secretary for all meetings of the Committee.

4.0 MEETINGS

The Committee shall meet half yearly to review the financial accounts and information to be approved by the Board for subsequent publication and shall hold such additional meetings as it deems necessary.

At a meeting of the committee, the number of directors whose presence is necessary to constitute a quorum shall be three (3).

Any member of the Committee, the Chief Financial Officer or the auditors may request the Chairman to convene a meeting of the Committee at any time. That request shall be in writing and include an outline of the purpose for that meeting.

The Chairman shall convene a meeting for a date no later than 21 days after receipt of that request.

5.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Committee has the authority to seek any information it requires from any employee of the Group and all employees must comply with such requests.

The Committee may take such independent legal, financial and other advice as it considers necessary.

6.0 REPORTS TO THE BOARD

The Committee shall keep the Board informed of its activities through the minutes of all its meetings and shall formally advise the Chairman of the company of any matters or recommendations requiring attention by the Board.

7.0 SELF ASSESSMENT

The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with Best Practice. The Committee's Charter shall be reviewed annually and updated as required.

This Charter was approved, by way of a Resolution, in the Meeting of the Board dated 23rd June 2010.



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Chairman of the Board