

Anglo Pacific Group plc

Terms of reference of the audit committee

It is the intention that the audit committee assist the board in determining whether the board is properly discharging its responsibilities for financial reporting and corporate governance including in particular all areas of internal control.

This role will include:-

- Appraising and reviewing the actions and judgements involved in the company's financial reporting process
- In line with Internal Control Review, consider the need for Internal Audit
- Considering the adequacy of arrangements for the statutory audit and supporting the independence and objectivity of the auditor by:
 - Review of audit focus
 - Discussion of audit findings
 - Facilitation to resolve differences between company executives and auditors
 - Review of the extent of non-audit services provided by the external auditors, and
 - Making appropriate recommendations in respect of the appointment of auditors.
- To review instances of behaviour which stand in conflict with the Group's values

Membership and Appointment

The Committee shall consist of not less than three directors appointed by the Board, all of whom shall be independent non-executive directors. At least one member of the Committee shall have significant, recent and relevant financial experience. The Chairman will be appointed by the Board. In the absence of the Chairman or an Appointed Deputy, the Committee shall elect one of the members present to chair the meeting. The Company Secretary or its nominee shall be Secretary of the Committee.