



## SELECT HARVESTS

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### AUDIT AND RISK COMMITTEE CHARTER

#### Objectives

The primary objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the company and each of its subsidiaries. In addition, the Committee will:

- Oversee, co-ordinate and appraise the quality of the audits conducted by the company's external auditors;
- Maintain, by scheduling regular meetings, open lines of communications among the Board and the external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- Serve as an independent and objective party to review the financial information presented by management to the Board for presentation to shareholders, regulatory authorities and the general public;
- Review the adequacy of the reporting and accounting controls of the company;
- Review the performance of the external auditors.

#### Composition

The Board shall annually confirm the membership of the Audit and Risk Committee, which will consist of at least three and not more than five directors. Each of the directors will be:

- Non-executive
- Independent of senior management and the executives of the holding company and its subsidiaries; and
- Free from any relationships with might in the opinion of the Board be construed as a conflict of interest.

One of the members shall be appointed Chairman of the Committee by the Board.

#### Term of Membership

Members of the Committee shall be appointed for an initial term of not more than three years after which they will be eligible for reappointment by rotation. The terms of the members shall be staggered with the objective that no more than one third of the members of the Committee shall stand for reappointment in any given year.

Any casual vacancy which might arise in the membership of the Committee shall be filled by appointment of the Board, for a term consistent with the above.

#### Meetings

The Committee will hold at least three regular meetings per year, and such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman shall be required to



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call a meeting of the Committee if requested to do so by any Committee member, the Managing Director and Chief Executive Officer, the Chief Financial Officer or the external auditors.

### **Access**

The Committee shall have unlimited access to the external auditors and to senior management of the Company. The Committee shall also have the ability to consult independent experts where they consider such consultation necessary to carry out their duties.

### **Duties and Responsibilities**

The duties and responsibilities of the Committee are as follows:

- Recommend to the Board the appointment of the external auditors;
- Recommend to the Board, annually the fee payable to the external auditors;
- Review the audit plan and performance of the external auditors;
- Determine that no management restrictions are being placed upon the external auditors;
- Evaluate the adequacy and effectiveness of the reporting and accounting controls of the company through active communication with operating management and the external auditors;
- Review all financial reports to be made to shareholders and/or the public prior to their release;
- To evaluate systems of internal control;
- Monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest;
- Require reports from management and the external auditors on any significant regulatory, accounting or reporting development to assess potential financial reporting interest;
- Review and approve all significant company accounting policy changes;
- Review the company's taxation position;
- Review the half yearly and annual financial statements with the Chief Financial Officer and the external auditors, and recommend acceptance to the Board;
- Evaluate the adequacy and effectiveness of the company's risk management policies and procedures including insurance; and
- Direct any special projects or investigations deemed necessary by the Board or by the Committee.

The Audit Committee shall review its Charter at least once in each financial year to ensure that it remains relevant and effective in fulfilling its obligation to the board.