

ATTITUDE PROPERTY LTD

'the Company'

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

1. Constitution

At a meeting held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on 21 December 2015 the Board of Directors of Attitude property Ltd (the "Board") resolved to establish a standing Committee of the Board to be known as the Audit and Risk Committee ('the Committee'), in accordance with the following terms of reference adopted on 13 May 2016.

2. Objectives

- 2.1 The Audit & Risk Committee shall assist the Board in monitoring and overseeing the financial responsibilities and audit process as well as the procedures for the identification, assessment and reporting of risks. Its main objectives shall be to:
 - (a) Oversee the integrity of the financial reporting process and ensure the transparency and performance of published financial information.
 - (b) Review the effectiveness and performance of the Company's internal financial control and risk management system and subsequently report to the Board, making recommendations as to the steps to be taken.
 - (c) Evaluate the work of the internal audit function and the external auditors.
 - (d) Review the Company's process compliance with legal and regulatory requirements affecting financial reporting and, if applicable, its code of business conduct.
 - (e) Review and monitor management's responsiveness to internal auditor's findings and recommendations.
- 2.2 In performing its duties, the Committee will maintain effective working relationship with the Board of Directors, Management, and the external and internal auditors. To perform his or her role effectively, each Committee member will need to develop and maintain his or her knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and risks. The duties and responsibilities of a member of the Audit Committee are in addition to those set out for a member of the Board of Directors.

3. Membership

- 3.1 The chairperson and members of the Committee shall be appointed by the Board of Directors of Attitude Property Ltd.
- 3.2 The Committee shall consist of a minimum of three members. The majority of the members shall be independent non-executive directors of the Company. The quorum shall be two members present throughout the meeting.
- 3.3 The chairperson shall preside at each meeting and, in the absence of the chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting.
- 3.4 The chairperson of the Committee shall be an independent non-executive director. He shall have substantial accounting or financial expertise.

- 3.5 All members shall be independent of management and the CEO shall not be a member of the Committee. Each member shall be financially literate.
- 3.6 Members shall be appointed for a three year term of office and shall be eligible for re-appointment.
- 3.7 The Board shall have the power at any time to remove any members from the committee and to fill any vacancies created by such removal.
- 3.8 The secretary of the Committee shall be the Company Secretary of the Company.

4. Authority and responsibilities

- 4.1 The basic responsibility of the members of the Audit & Risk Committee is to exercise their business judgement to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation members should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors, to the fullest extent permitted by law.
- 4.2 The Board authorises the Audit & Risk Committee, within the scope of its responsibilities to:
 - (a) Perform activities within the scope of this terms of reference;
 - (b) Investigate any activity it deems appropriate;
 - (c) Appoint independent advisers and professionals (accountants, lawyers and so on) as it deems necessary to carry out its duties;
 - (d) Instruct any officer or employee of the Company to attend any meetings and provide pertinent information as necessary and appropriate;
 - (e) Have unrestricted access to members of management, employees and relevant information;
 - (f) Establish procedures for dealing with the concern of employees regarding accounting, internal controls and auditing matters;
 - (g) Establish procedures for the receipt and treatment of complaints received by the Company regarding accounting controls and auditing matters;
 - (h) Make recommendations to the Board in relation to the appointment, termination and remuneration of internal & external auditors and evaluate the work of the latter;
 - (i) Review the performance of the external & internal auditors and exercise final approval on the appointment or discharge of the auditors;
 - (j) Pre-approve all audit services fees and terms as well as review policies for the provision of non-audit services by the external auditors;

5. Meetings

- 5.1 Only Committee members shall be entitled to attend meetings. The Audit & Risk Committee may invite such other persons (e.g. other directors, the Managing Director, head of finance, senior managers, head of internal audit and external audit senior partner) to its meetings, as it deems necessary.
- 5.2 The external and internal auditors shall be invited to make presentations to the Audit & Risk Committee as appropriate.
- 5.3 The Committee shall meet at least four (4) times yearly or as often as it determines necessary or appropriate.
- 5.4 The Committee chairperson shall convene a meeting at his own request or upon the request of any Committee member, Internal Auditors and External Auditors if they consider that it is necessary.

6. Role and responsibility in respect of financial reporting

The Committee shall:

- 6.1 Review the annual and interim financial statements as well as any other formal announcement relating to the Company's financial performance prior to approval by the Board and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect the appropriate accounting principles.
- 6.2 Ensure that International Accounting Standards have been consistently applied;
- 6.3 Meet with management, internal auditors and the external auditors to review the financial statements, the critical accounting policies and practices, and the results of their audit, focusing particularly on:-
 - the implementation of new systems;
 - tax and litigation matters involving uncertainty;
 - any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the basis on which the Company has been determined a going concern;
 - capital adequacy;
 - internal control;
 - compliance with accounting standards, local and international, compliance with Stock Exchange and legal requirements;
 - the efficiency of major adjustments processed at year end;
 - compliance with the financial conditions of loan agreements;
- 6.4 Ensure that significant adjustments, unadjusted differences, disagreements with management and management letter are discussed with the external auditors.
- 6.5 Review the other sections of the annual report before its release and consider whether the information is understandable, consistent with members' knowledge of the Company and unbiased.

7. Role and responsibility in respect of internal control

The Committee shall:

- 7.1 Review the effectiveness of the Company's systems of internal control including internal financial control and maintaining effective internal control systems; and in particular to review:
 - the procedures for identifying business risks and minimising their impact on the Company;
 - the Company's policies for preventing or detecting fraud;
 - the Company's policies for ensuring that the Company complies with relevant regulatory and legal requirements;
 - the operational effectiveness of the policies and procedures;
- 7.2 Evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and ensuring that all employees have an understanding of their roles and responsibilities
- 7.3 Assess with management the Company's major risk exposures and the steps management has taken to monitor and control such exposures.

- 7.4 Evaluate the overall effectiveness of the internal control and consider whether recommendations made by the internal and external auditors have been implemented by management.

8. Risk Management

The Committee shall:

- 8.1 Review with the assistance of the legal advisor, any legal matter that could have a significant impact on the actual or future business situation of the company.
- 8.2 Review with the Managing Director or any member of his Executive team the Company's risk policies & strategies.
- 8.3 Evaluate the overall effectiveness of the risk management framework
- 8.4 Review regularly the risk register & measurement methodologies.

9. Role and responsibility in respect on internal audit

The Committee shall:

- 9.1 Review and approve the internal audit scope of services;
- 9.2 Review the plans, activities and organisational structure of the internal audit function and ensure no unjustified restrictions or limitations are made;
- 9.3 Review the cooperation and coordination between the internal and external auditors and coordinate the formal internal audit work plan with the external auditors to avoid duplication of work;
- 9.4 Review the qualifications of internal audit personnel and consider the appointment, replacement, reassignment or dismissal of the internal auditor
- 9.5 Review the effectiveness of the internal audit function
- 9.6 Evaluate the independence of the internal audit function
- 9.7 Meet separately with the head of internal audit to discuss any matters that the Committee or internal auditors believe should be discussed privately;
- 9.8 Review significant differences of opinion between management and the internal audit function;
- 9.9 Review the significant matters reported by the internal audit function;
- 9.10 Ensure that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis;
- 9.11 Ensure that management responds to recommendations made by the internal auditors
- 9.12 Review the adequacy of corrective action taken in response to significant internal audit findings

10. Role and responsibility in respect of external audit

The Committee shall:

- 10.1 Review, with the external auditors, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope;
- 10.2 Negotiate procedures, subject to agreement, beyond minimum statutory and professional duties;
- 10.3 Agree the timing and nature of reports from the external auditors;

- 10.4 Consider any problems identified in going concern or statement of internal control;
- 10.5 Make suggestions as to problem areas that the audit can address
- 10.6 Discuss implications of new auditing standards
- 10.7 Review the performance of the external auditors
- 10.8 Consider the independence of the external auditors, including reviewing the range of services provided in the context of all non-audit services bought by the Company
- 10.9 Make recommendations to the Board regarding the appointment or reappointment of the external auditors and on any questions of resignation or dismissal of the external auditors;
- 10.10 Ensure that the level of fee payable in respect of the audit services provided is appropriate and that an effective audit can be conducted for such a fee;
- 10.11 Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately;
- 10.12 Review the significant matters reported by the external auditors;
- 10.13 Ensure that significant findings and recommendation made by the external auditors are received and discussed on a timely basis;
- 10.14 Ensure that management responds to recommendations by the external auditors;
- 10.15 Consider whether any significant ventures, investments or operations are not subject to external audit.

11. Roles and responsibility in respect of compliance with laws and regulations

The Committee shall:

- 11.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) of any fraudulent acts or non-compliance.
- 11.2 Obtain regular updates from management and the Company's legal counsel regarding compliance matters
- 11.3 Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- 11.4 Review the findings of any examinations by regulatory agencies

12. Evaluating performance and reporting responsibilities

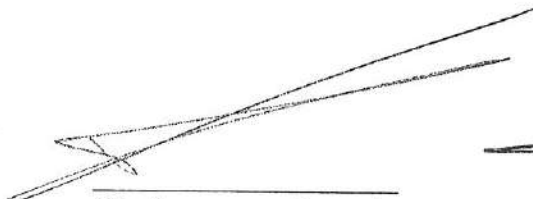
The Committee shall:

- 12.1 Assess the achievement of the duties specified in the Terms of reference regularly and report of their findings to the Board.
- 12.2 Review if necessary and reassess the adequacy of its Terms of reference every five (5) years and discuss any required changes with the Board.
- 12.3 Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business
- 12.4 Recommend approval of the interim financial statements, annual reports and annual financial statements to the Board.
- 12.5 Attend the annual meeting to answer questions concerning matters falling within the ambit of the Committee

13. Remuneration

- 13.1 The members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- 13.2 Such special remuneration shall be in addition to the annual fees payable to directors.

Approved by the Board of Directors on 13 May 2016



Chairperson – Board



Chairperson – Audit & Risk



Company Secretary