

AUDIT AND RISK COMMITTEE CHARTER

Objectives

This Charter governs the operations of the Audit and Risk Committee. The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors

The Audit and Risk Committee of the Board of SAI Global Limited shall provide assistance to the Board in fulfilling its corporate governance responsibilities in relation to the company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions.

The delegation of various functions to the Audit and Risk Committee does not relieve the Board of its duties and responsibilities but merely assists it in carrying out these responsibilities.

Membership

The Committee will comprise at least three non-executive Directors that have diverse, complementary backgrounds and are independent of management and the company. At least one member shall have financial expertise as determined by the Board.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), the head of internal audit and external auditor shall be given notice of all meeting and will attend meetings by invitation. Membership of the Committee will be for a term of three years, which may be extended by an additional term.

The Chairman of the Committee shall be appointed by the Board at the time it reviews and appoints membership of the Committee.

Meetings

A quorum shall consist of two members.

If at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose a member to be chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes of the Members present, and in the case of an equality of votes the chairman of the Committee shall have a second or casting vote.

Frequency of Meetings

Meetings shall be held not less than two times each year, generally to be before Board meetings. The Committee meetings should be held as and when necessary but scheduled in order to:

- review the plans for both the internal and external audits
- review the half year and annual financial statements and related disclosures prior to submission for approval by the Board.

The CEO, the Board, the Committee or external or internal auditors may request a meeting if they consider one necessary.

Authority

The Committee is authorised by the Board to seek any information it requires from any Board member, executive or employee, and all employees are directed to co-operate with any request made by the Committee. It is authorised to investigate any activity within its terms of reference.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Access

The Committee shall have access to senior management groups and both internal and external Auditors as is required with full access to all books, records and facilities.

Reporting Procedures

The Company Secretary shall be appointed Secretary of the Audit & Risk Committee. The Secretary in conjunction with the Chairman of the Committee shall draw up an agenda which will be circulated prior to each meeting to the members of the Committee.

The CFO and the Director of Management Systems and Assurance are responsible for preparing reports and explanatory documentation for each meeting

The Chairman of the Audit & Risk Committee shall report to the Board on matters considered by the Committee. The minutes of all Committee meetings shall be circulated to the members of the Board. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary.

SAI Global Limited's annual report shall include a statement describing the responsibilities and activities of the Committee.

Duties

The duties of the Committee shall be as follows.

Financial Control and Reporting

- Recommend to the Board accounting policy and financial control procedures.
- Review management accounts of the Group and make recommendations to the Board.
- Do and perform any other acts, matters and things in connection with or relative to financial management and audit matters of the Group within defined limits and powers delegated by the Board.
- To examine the annual report and half yearly report before submission to the Board, focusing particularly on:
 - The nature and impact of any changes in accounting policies and practices;
 - major judgmental areas (e.g. accruals, provisions or estimates which significantly affect the financial statements);
 - significant adjustments resulting from the audit;
 - compliance with accounting standards;
 - compliance with Government, Australian Stock Exchange Listing Rules and other legal requirements;
 - accounting policies adopted in respect to major transactions and
 - treatment of significant accounting, auditing or disclosure matters.
 - The Group's taxation position
- To review any report of management which accompanies published financial statements (to the extent that such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves before approval by the Board.
- To verify that the internal control systems are adequate and functioning effectively.
- To review jointly with management, the Auditors and legal counsel, any litigation, claim or other contingency which may have a material effect upon the financial position or operating results of the Group and the manner in which these matters have been disclosed in the financial statements.
- To annually verify and report to the Board the independence of Directors.
- To confirm adherence to any statutory requirements, including any code of conduct. This may, for example, include monitoring the standard of conduct in transactions with related parties. Committee members

should be aware of actual or potential conflicts of interest, including transactions which are not at arm's length.

- To consider any matter which affects its recommendations to the Board concerning the approval of the financial statements.

Risk Management

- To ensure that SAI Global has an adequate risk management system.
- To monitor the internal policies for identifying and determining key risk areas to which SAI Global is exposed.

External Audit

- To recommend to the Board the appointment of the external Auditor and their fees.
- To discuss with the external Auditor before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary).
- To review the Auditor's management letter and the response of management.
- To confirm and assure the independence of the external auditor and to review any other services planned or provided by the external auditor with any likely effect on the independence of the auditor.
- To review the External Audit report and the performance of the Auditor;

Internal Audit

- To review the Internal Audit Charter and to make recommendations to the Board.
- To review the quality of internal audit.
- To receive and review audit reports;
- To review the Internal Audit program and ensure that the Internal Audit function is adequately resourced and has appropriate standing within SAI Global.
- To assess management's programs and policies which deal with the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.
- To ensure co-ordination between Internal and external Auditors.
- To review any significant matters reported by the Internal Auditors, ascertain whether management's response is adequate, and to follow up to ensure effective implementation of recommendations.
- To review with management the appointment of internal auditor.

Legal Compliance

- To review all significant transactions that do not form part of SAI Global Limited's normal business.
- The Committee shall receive and review legal reports of evidence of material breach of the Corporations Law, ASX Listing Rules, or breaches of fiduciary duty.
- To review any current and pending litigation or regulatory proceedings to which SAI Global Limited is a party;

Compliance with SAI Global Limited Ethics Policy

- To work with management to review the Ethics Policy and to monitor compliance with the Policy.
- To review significant cases of employee conflict of interest, misconduct or fraud.

Communication with Stakeholders

- The Committee shall review ASX press releases concerning financial results and as necessary financial and earnings guidance provided to analysts and rating agencies
- The Committee shall review all representation letters signed by management to ensure that the information provided is complete and appropriate.