

## Internal Compliance and Control System

In addition to the risk management framework, the Company has an internal compliance and control system based on the following:

- An internal audit program approved by the Audit and Risk Committee.
- A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.

SAI Global has a number of control processes to ensure that the information presented to senior management and the Board is both accurate and timely. The control processes include, among other things:

- Annual audit and half year review by the external auditor;
- Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls;
- Weekly and monthly review of financial performance compared to budget and forecast.

The Chief Executive Officer and the Chief Financial Officer provide half-yearly a statement to the Board in writing, that the company's financial reports present a true and fair view, in all material aspects, of the company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

The Audit and Risk Committee is responsible for approving the appointment of the internal auditor and approving the annual internal audit plan. The internal audit function is independent of the external auditor and has direct access to the chairman of the Board.

Internal Audit reports deviation from company policies to responsible management for action and to the Audit and Risk Committee for information or further action.

### **Assessment of Effectiveness**

Internal audit provides independent assurance to the Audit and Risk Committee of the effectiveness of its risk management and internal compliance and control system by conducting regular reviews of internal controls, operation of the risk management framework and the quality management system.

The Audit and Risk Committee is responsible for reviewing and analysing the effectiveness of the risk management framework, the internal compliance and control systems and shall