



AUDIT & RISK COMMITTEE CHARTER

1. PURPOSE

1.1 Structure

The Audit and Risk Committee (“Committee”) is a committee of the Board of Directors (“Board”) of Transpacific Broadband Group, Inc.

This charter governs the meetings and proceedings of the Committee. To the extent that this charter does not expressly provide, the provisions of the Board charter will apply to the Committee. Nothing in this charter limits any powers or responsibilities of the Board.

References to “Chair” refer to the chair of the committee unless otherwise stated.

1.2 General Purpose of the Committee

The role of the Committee is to assist the Board in exercising its authority in relation to the matters set out in this charter. The Committee’s work is supported by the Chief Executive Officer (CEO) and his or her nominees, principally the Chief Financial Officer (CFO) and Internal Auditor. The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in the areas of statutory reporting, internal control systems, risk management systems, insurance and legal proceedings, and the internal and external audit functions. The Committee does not relieve any directors of their responsibilities for these matters. The Committee is a committee of the Board. It plays an advisory role and is authorised to exercise those Board powers expressly delegated to it in this charter.

1.3 Committee Responsibilities

(a) The Committee’s responsibilities are set out as follows:

External Reporting

	Review and make recommendations to the Board on the approval of annual accounts;
	Review and make recommendations to the Board for approval of changes to accounting policies and treatments having an impact on external reporting;
	Assess whether external reporting is consistent with Committee members' information and knowledge and is adequate for the needs of the Company's members;
	Assess management processes supporting external reporting; to play a role in reviewing compliance related documents (including, for example, the directors' report);



Internal Control and Risk Management

oversight of the implementation and review of risk management and related internal compliance and control systems;

oversight of the internal controls framework including delegations;

oversight and monitoring of the whistle blowing policy and fraud & corruption policy;

oversight of insurance portfolio;

review regular reports on all litigation and claims and advise the Board in respect of any material legal risks;

conduct annual review of the Committee and report on outcomes to the Board

review and assess key areas relating to external audit of the Company including the relationship with external auditors;

monitor the performance & independence of the external auditors & where the external auditor provides non-audit services

meet with the internal auditor without management on occasion;

monitor the performance and independence of the internal auditors;

review and assess key areas relating to internal audit of the company including the appointment and removal of the manager internal audit or equivalent.

- (b) The Committee has delegated authority and power as approved by the Board from time to time and attached to the Board's Charter.
- (c) If any Committee member has a material personal interest in or an interest by way of a personal or other relationship to any matter being considered by the Committee, then that Committee member must give the Committee and the Board notice of that interest as soon as that member becomes aware of the interest.
- (d) A notice required under 1.3(c) above must: (i) give details of the nature and extent of the interest; and (ii) the relation of the interest to the affairs of the Company.

1.4 Functions of the Committee

The members of the Committee are not employees of the Company. The Committee:

- (a) is not required to personally conduct studies or reviews; and
- (b) is entitled to rely on employees of the Company or professional advisers or consultants engaged by the Company where:



- there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
- the reliance was made in good faith and after making an independent assessment of the information.

1.5 Exercise of powers

- (a) The Committee must exercise the powers delegated to it in accordance with any directions, strategies, objectives or policies of the Board.
- (b) Recommendations of the Committee, where the Committee has no delegated power, shall not be binding on the Company unless the recommendations are approved by the Board.

2. COMPOSITION OF COMMITTEE

2.1 Membership

- (a) The Committee consist of (as appointed by the Board) at least 3 members, all of whom shall be directors of the Company. The Committee should include:
 - a member who has financial expertise, that is, a qualified accountant or other finance professional;
 - some members who have an understanding of the industry in which the Company operates; and
 - one member who has previous experience in risk and/or is legally qualified, if available.
- (b) In addition to the Committee members, the Committee may co-opt non-directors or other directors to provide specific skills or expertise as required.
- (c) All Committee members shall be non-executive and independent as previously determined by the Board. No Committee members shall be a professional adviser of the Company.

2.2 Skills Development

A member of the Committee may, with the approval of the Board and at the Company's expense, attend seminars or training courses related to issues related to the functions and responsibilities of the Committee.

2.3 Committee Chair

The Board shall nominate an appropriate Committee Chair or, in his or her absence, such other person that the Committee may determine for that meeting, provided that the Chair of the Board shall not be the Committee Chair. The Committee Chair should have a number of years' experience with the Company preferably as a previous member of the Board or the Committee.



2.4 Tenure

The terms of the members will coincide with their terms on the Board, unless the Board determines otherwise. Subject to annual confirmation by the Board, the terms of any members of the Committee who are co-opted under the terms of this Charter, will be one year.

2.5 Secretary

The Committee Secretary will be the Company Secretary or delegate.


2.6 Code of Conduct

The members of the Committee will comply with the Company's applicable Code of Conduct as amended from time to time.

3. POWERS OF THE COMMITTEE

3.1 Access to management

The Committee, in performing its functions, may:

	Request any employee of the Company to attend a meeting of the Committee;
	Access any document, report, material or information in the possession of an employee or external adviser of the Company, to the extent permitted by law ; and
	Have unlimited access to both the internal and external auditors and to senior management of the Company, The CEO, CFO, and Company Secretary.

3.2 Access to Independent Advice

The Committee may obtain reasonable independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Company.

3.3 Reimbursement of Reasonable Expense

Any reasonable travel, accommodation or out of pocket expenses incurred by Committee members in attending Committee meetings shall be met by the Company.



4. MEETINGS

4.1 Holding of Meetings

- (a) The Committee will meet at least once a year.
- (b) Meetings may be face-to-face, or via telephone or video conference as considered appropriate by the Committee Chair.
- (c) A member of the Committee may request that a meeting of the Committee be convened.

4.2 Quorum

At least fifty percent plus one of the members of the Committee, present in person or by using any technology, shall constitute a quorum. The quorum must be present at all times.

4.3 Attendance at Meetings

- (a) The CEO, CFO, Company Secretary, Internal Auditor or their delegates may attend all meetings of the Committee, other than those meetings or parts of Committee meetings which are deemed to be closed to management.
- (b) Representatives of the external auditor and the internal auditor may attend all meetings.
- (c) The Chair of the Finance Committee may also attend meetings with the consent of the Chair.
- (d) The Chair, may invite any of the following to attend a meeting of the Committee:
 - any other employee or officer of the Company; and
 - a party external to the Company. Each invitee must undertake to keep the relevant communications of the proceedings of the Committee meeting confidential, including in accordance with clause 7 below.

4.4 Committee Papers

Unless directed by the Committee Chair, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:

- (a) each member of the Committee;
- (b) the CEO, the CFO, Internal Audit Manager and other members of the management team;
- (c) the external auditors; and
- (d) if requested, to any Director of the Board.



4.5 Committee Minutes

- (a) The Committee Secretary shall prepare minutes of meetings and have them approved by the Committee Chair.
- (b) Minutes of meetings shall be submitted to the next meeting of the Committee.
- (c) Minutes signed by the Committee Chair shall be conclusive evidence of the matters recorded in such minutes.

5. COMMITTEE REVIEW

The Committee shall review its charter and performance and that of its members from time to time and report to the Board on the results of this review.

6. REPORTING TO THE BOARD

- (a) Minutes of each meeting shall be submitted to the Board for noting.
- (b) The Committee Chair, or delegate, must report to the Board after each Committee meeting concerning:
 - the proceedings of the Committee; and
 - all matters relevant to the Committee's role and responsibilities.

7. CONFIDENTIALITY

Unless otherwise required by law or the Articles, the members of the Committee are required to keep Committee discussions, committee papers and deliberations confidential.

8. CONSISTENCY WITH CHARTER

This charter may be amended by the Board from time to time to be consistent with the manual on corporate governance, Articles and By-Laws of the corporation, SEC Memorandum, PSE directives and other relevant institutions and agencies, all aligned with the common objective of an effective Audit and Risk Committee Charter.