

AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

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Policy Name:	Audit, Risk & Compliance Committee Charter
Effective Date:	27 April 2009
Page Number:	2 of 5

1. OBJECTIVES

The Audit, Risk & Compliance Committee (Committee) has been established by the Board of eircom Holdings Limited (the Company) to support and advise the Board and its subsidiary companies (the Group) in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Group by:

- a) assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Group's financial performance and the audit process;
- b) implementing and supervising the Group's risk management framework; and
- c) assisting the Board to monitor compliance with laws and regulations applicable to the Group.

2. AUTHORITY

The Audit, Risk & Compliance Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) retain outside counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
- b) seek any information or explanations it requires from employees — all of whom are directed to cooperate with the Committee's requests — or external parties; and
- c) meet with the Group's officers, internal or external auditors (with or without management present) or outside counsel as necessary.

3. SPECIFIC RESPONSIBILITIES

In order to fulfil its responsibilities to the Board, the Committee will:

3.1. Financial Audit & Reporting

- a) Financial Statements
 - Review the financial statements of the Group for the half year and full year, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles.
 - Receive and consider in connection with the full year financial statements the Chief Executive Officer's and Chief Financial Officer's letter of representation to the Board in respect of financial reporting for the Group, including a declaration in respect of those matters described in section 295A of the Corporations Act, and the adequacy and effectiveness of the Group's risk management, internal compliance and control systems for the Group and the process and evidence the Chief Executive Officer and Chief Financial Officer adopted to satisfy themselves on these matters. Although not required by section 295A of the Corporations Act, half year representation letters will also be provided to the Board as best practice.
 - Review the financial sections of the Group's annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
 - Review with management and the external financial auditors the results of the financial audit of the Group.
- b) Internal Control
 - Review the effectiveness of the Group's internal controls regarding all matters affecting the Group's financial performance and financial reporting, including information technology security and control.
 - Review the scope of internal and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.
- c) Internal Audit
 - Review with management and the internal auditor, the charter, plans and activities of the internal audit activity.
 - Meet with the internal auditor to review reports and monitor management response.
 - Meet separately with the internal auditors, when necessary, to discuss any matters that the Committee or internal auditors believe should be discussed privately.
 - Review the effectiveness of the internal audit activity.

Policy Name:	Audit, Risk & Compliance Committee Charter
Effective Date:	27 April 2009
Page Number:	3 of 5

- Ensure there are no unjustified restrictions or limitations on the internal auditor, and review and provide recommendations to the Board in relation to the appointment, replacement or dismissal of the internal auditor.
- d) External Financial Audit
- Recommend to the Board the appointment and removal of the external financial auditors of the Group and review the terms of engagement.
 - Review the external financial auditors' proposed audit scope and approach.
 - Meet with the external financial auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or external financial auditors believe should be discussed privately without the presence of management.
 - Establish policies as appropriate in regards to independence of the external financial auditors.
 - Review and confirm the independence of the external financial auditors by obtaining statements from such auditors on relationships between the external financial auditors and the Group, including non-audit services, and discussing the relationships with the external financial auditors.
 - Review the performance of the external financial auditors, and consider the re-appointment and proposed fees of the external financial auditors and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external financial auditor will be put to the Board and then if a change is approved it will be put forward to Group's shareholders for their approval if such approval is required.

3.2. Risk Management

- Consider the overall risk management framework for the Group and review its effectiveness in meeting sound corporate governance principles, and keep the Board informed of all significant business risks of the Group.
- Review with management the system for identifying, managing, and monitoring the key risks of the Group.
- Obtain reports from management on the status of any key risk exposures or incidents.

3.3. Compliance

- a) Report to the Board:
- any breach of the Corporations Act involving the Group;
 - any breach of the Company's Constitution;
 - any breach by the Company of the Australian Securities Exchange (ASX) Listing Rules;
 - any breach of any other legislation or regulatory requirement that is applicable to the Group
 - of which the Committee becomes aware or that it suspects.
- b) Report to the Australian Securities & Investments Commission if the Committee is of the view that the Company has not taken, or does not propose to take, appropriate action to deal with a breach of the Corporations Act, the Company's Constitution or the ASX Listing Rules.
- c) Obtain regular updates from management and the Group's compliance manager regarding compliance matters.
- d) Review the effectiveness of the system for monitoring compliance with laws and regulations in the countries and the companies in which the Group invests and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- e) Review the findings of any examinations by regulatory agencies.
- f) Review the process for communicating the code of conduct to the Group's personnel, and for monitoring compliance therewith.

3.4. Reporting and Other Responsibilities

- a) Reporting Responsibilities
- Regularly report to the Board about Committee activities, issues, and related recommendations.
 - Provide an open avenue of communication between internal audit, the external financial auditors and the Board. For the purpose of supporting the independence of their function, the external financial auditors and the internal auditor have a direct line of reporting access to the Committee.

Policy Name:	Audit, Risk & Compliance Committee Charter
Effective Date:	27 April 2009
Page Number:	4 of 5

- Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules.
 - Review any other reports the Group issues that relate to Committee responsibilities.
- b) Other Responsibilities
- Review and monitor related party transactions and investments involving the Group.
 - Perform other activities related to this Charter as requested by the Board.
 - Institute and oversee special investigations as needed.
 - Confirm annually that all responsibilities outlined in this Charter have been carried out.
 - Evaluate the Committee's and individual members' performance on a regular basis.

4. COMPOSITION

- a) The Committee will comprise a minimum of two members, both of whom are to be Directors.
- b) There must be a majority of independent non-executive Directors who are financially literate. At least one member must have expertise in financial reporting.
- c) The Board may appoint or replace members to or from the Committee by resolution. Members of the Committee may withdraw from membership by written notice to the Chairman of the Board.
- d) The Board will nominate the Chairman of the Committee from time to time (who shall not be the Chairman of the Board).
- e) The Committee may appoint from time to time a non-director of the Group. The appointee in this case will be a professional accountant or lawyer.

5. PROCEDURAL REQUIREMENTS

- a) The Committee will meet as required but not less than four times a year.
- b) A quorum of the Committee will comprise two members, although all members are expected to attend (either in person or by conference call or similar means) and participate.
- c) If the Chairman is absent from a meeting and no acting Chairman has been appointed, the members present may choose one of them to act as Chairman for that meeting.
- d) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- e) Each member of the Committee will have one vote.
- f) The Chairman will not have a casting vote. If there is a tied vote, the motion will lapse.
- g) The Committee may seek such independent legal, accounting or other professional advice or assistance from any external parties as it may consider necessary or desirable to fulfil its objectives, at the reasonable expense of the Group.
- h) Following each meeting the Chairman will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
- i) Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board for noting.
- j) The Company Secretary will provide such assistance as may be required by the Chairman in relation to preparation of the agenda, minutes or papers for the Committee.
- k) As necessary or desirable, the Chairman may invite members of management, including the external financial auditors or other external advisors, to be present at meetings of the Committee.

6. ANNUAL REVIEW

The Committee will prepare and provide to the Board annually:

- a) a self-evaluation of its performance against its Charter, goals and objectives;
- b) recommended goals and objectives for the coming year; and
- c) recommended changes or improvements to its Charter, if necessary.

The annual review may be done by way of an oral report to the Board by the Chairman of the Committee.

Policy Name:	Audit, Risk & Compliance Committee Charter
Effective Date:	27 April 2009
Page Number:	5 of 5

7. REVISIONS OF THIS CHARTER

This Charter of the Committee, and any amendments to this Charter, must be approved by the Board of the Company, following a recommendation by the Committee that the Board approve any proposed amendments to this Charter.

The Committee is responsible for reviewing of the effectiveness of this Charter from time to time and the on-going operations of the Committee.