



MERRISTON DIRECTORS, OFFICERS & EMPLOYEES

董事、高级职员和雇员



Alec Russell
Chairman
董事会主席



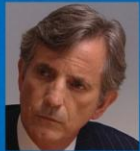
Derek Williams
Audit Committee Chair
审计委员会主席



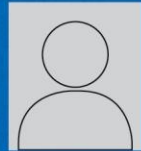
Martin McDonald
Audit Committee Member
审计委员会委员



Sarah Wright
Audit Committee Member
审计委员会委员



Brian Anderson
Chief Executive Officer
执行总裁



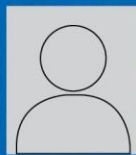
David Silvers
Former Chief Financial
Officer (March 2004–
September 2007)
前财务总监(2004年
3月至2007年9月)



Andrew Sargent
Chief Financial Officer
(Former CFO of
Delson Park)
财务总监
(Delson Park前财务总监)



Roger Mason
Divisional CEO
分区行政总裁



Mark Wallis
Project Leader
项目主管
(Senderly)



Peter Nolan
External Audit Partner
外部审计合伙人



Debra Stevens
General Counsel
法律总顾问



Tom Melling
Head of Internal Audit
内部审计主管



Lucy Cheung
External Audit Manager
外部审计经理

“COUNTING THE COST” SYNOPSIS FOR THE AUDIT COMMITTEE MEETING

Audit Committee Meeting in March 2008

- The purpose of this meeting is for the Audit Committee to review with the Chief Financial Officer and the auditors the draft financial statements for Merriston for the 2007 financial year (Merriston has a 31st December year end) and to gain sufficient satisfaction that the financial statements provide a true and fair view of the company's performance to be able to recommend approval of the financial statements at the subsequent full board meeting of Merriston.
- Since the announcement by Merriston of its 2006 accounts (in March 2007) David Silvers, the Chief Financial Officer, has retired unexpectedly for reason of poor health.
- It emerges that a key point in relation to the 2006 financial statements was the justification for a large provision which was made by management for suspected losses on the Highton project but that this provision was ultimately accepted by the Audit Committee (albeit the Chief Financial Officer at the time, David Silvers, had not impressed the audit committee with his explanations).
- The key issue which arises in respect of the 2007 financial statements is in relation to the provision which is being proposed for losses expected on the Senderly project which is a major on-going project for Merriston.
- The Audit Committee, particularly Sarah Wright, is concerned at the low level of the figure for costs incurred to date on the project given the speculation in the newspapers as to costs running out of control due to major problems to complete its Senderly project.
- The provision proposed by management for expected losses is based on a report by Roger Mason (Division CEO) produced at very short notice for the audit committee which will be made up of the costs already incurred in the project at the time of the Audit Committee meeting with the addition of projected costs to complete pursuant to Roger Mason's report.
- Merriston is due to announce its results within 48 hours of completion of the Audit Committee meeting after the holding of a full board meeting to hear the report from the Audit Committee and any other year end business.

Audit Committee Meeting in March 2009

- This Audit Committee meeting is being held for the Audit Committee to review and, if satisfied, approve and recommend to the full board of Merriston the financial statements for the 2008 financial year.
- One of the key issues to be dealt with at this meeting is the report back from Tom Melling (the Head of Internal Audit) in relation to their investigation of the whistleblower complaint, to determine whether there was any evidence of the Senderly provision in the 2007 financial statements having been deliberately and dishonestly kept low by providing false figures for costs incurred as at March 2008 (when the matter was considered by the audit committee a year earlier), or by providing projected costs figures which management knew would be too low (pursuant to Roger Mason's report in March 2008).

- If there is evidence of dishonesty, then Merriston may be faced with having to re-state its 2007 financial statements and this will also cast a huge shadow over the integrity of those involved in providing the figure for Senderly project to the Audit Committee (i.e. the Chief Executive, the Chief Financial Officer and the Divisional CEO) in March 2008 and on the reliability of any input they may have had, and representations they would be expected to make, as to the accuracy of the 2008 financial statements.
- The Audit Committee needs to determine whether an adequate investigation has been carried out which has produced reliable conclusions confirming that there was no dishonesty in the calculation and provision of figures and that the unexpectedly high loss was due to innocent error of judgement.
- The Audit Committee also considers an update from the General Counsel (Debra Stevens) on the latest developments in respect of a public prosecutor's investigation into whether a bribe has been paid by agents acting for Merriston's operating subsidiary in Valkronia (a make-believe country) and whether this development may have any effect on the approval of the 2008 financial statements.

审计委员会会议大纲

2008年3月审计委员会会议

- 这次会议的目的是让审计委员会与财务总监和审计员共同审阅Merriston于2007年财政年度的财务报表草案(Merriston的财政年结日为12月31日)，确保财务报表能真实而公平地反映公司业绩，以便在其后的Merriston全体董事会会议上提议通过。
- 自Merriston于2007年3月作出2006年度帐目公布后，财务总监David Silvers已因身体欠佳意外退休。
- 2006年财务报表的一个重点是管理层为Highton项目有可能的亏损作出庞大拨备的理据。此拨备最终获得审计委员会接纳（尽管在当时担任财务总监的David Silvers并没有向审计委员会作出满意的解释）。
- 2007年财务报表的一个重点是有关建议为Senderly项目的预期亏损作出的拨备，该项目是Merriston持续进行的重大项目。
- 因媒体就Senderly项目进行过程中遇到重大问题以致工程成本失控作出各种推测，审计委员会尤其是Sarah Wright对该项目至今产生的成本数额仍保持在偏低水平表示关注。
- 管理层为预期亏损作出的拨备建议是以Roger Mason（分区行政总裁）在极短时间内为审计委员会编制的报告作为根据。该拨备将包含审计委员会举行会议时项目已产生的成本，另加上根据Roger Mason报告中预期完成所需的成本。
- 在举行董事会会议听取审计委员会报告及任何其它年结事务之后，Merriston预定在审计委员会会议完成后48小时内公布结果。

2009年3月审计委员会会议

- 举行这次审计委员会会议，是为了让审计委员会审阅2008年财政年度的财务报表。该报表如获审计委员会通过，审计委员会将向Merriston董事会提议。
- 在这次会议上将要处理的重点事务之一是内部审计主管Tom Melling就他们对告密者投诉所作出的调查的报告，以确定是否有任何证据证明2007年财务报表中的Senderly拨备曾被蓄意及不诚实地维持在偏低水平：通过提供截至2008年3月所发生成本的虚假数字(当时有关事项由审计委员会在一年以前审议)或通过管理层事前已知道的过低的预期成本数字(根据Roger Mason 2008年3月的报告)。
- 如果有证据显示不实情况属实，不但Merriston要为2007年财务报表重新列帐，亦会令人对涉及于2008年3月曾向审计委员会提供Senderly项目数字的相关人士(包括行政总裁、财务总监和分区行政总裁)的操守产生怀疑，并会令2008年财务报表所提供的数据及预期陈述的可靠性蒙上阴影。
- 审计委员会需要确保调查充分进行及得出可靠结论，并能够确认有关数字的计算和提供过程中并无出现不实的情况，以及出乎意料的偏高亏损是由于无恶意的错误判断所致。
- 审计委员会亦要考虑法律总顾问(Debra Stevens)就检察官调查的最新发展所提供的最新情报。该调查涉及代表Merriston在Valkronia(虚构国家)的附属公司行事的代理人是否曾支付贿款，以及此事件是否会于2008年财务报表之批准产生任何影响。