

Ryanair's Audit Committee Charter 2008

General Terms of Reference

This charter provides the framework within which the Ryanair Holdings audit committee shall operate. It is periodically reviewed against best practice in the area of corporate governance and is amended as appropriate. The charter is approved by the board of directors on an annual basis.

Membership

The board of directors will nominate the chairman and the members of the audit committee. The committee will comprise of not less than three members who are all independent non-executive directors of the company. Each member shall be financially literate and have the skills and experience appropriate to the company's business. At least one member will be a financial expert with all of the following attributes:

- an understanding of GAAP and the financial statements.
- experience in preparing, auditing, analysing financial statements presenting a level of complex accounting issues comparable to those that can be reasonably expected to be raised by company's financial statements (or experience actively supervising one or more persons engaged in such activities).
- an understanding of internal controls for financial reporting.
- an understanding of audit committee functions.

A quorum of any meeting will be two members. The company secretary will be the secretary of the audit committee. The Chief Financial Officer will act as the secretary of the audit committee if the company secretary is not available.

Authority

The board authorises the audit committee, within the scope of its responsibilities, to:

- engage independent counsel and other advisers as it deems necessary to carry out its duties (the company shall provide appropriate funding for the compensation of advisors).
- have unrestricted access to members of management, employees and relevant information.
- establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal control or auditing matters.
- handling confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters.

Meetings

Members of the audit committee should participate in every meeting of the committee (either in person or via telephonic communications). Meetings shall be held not less than four times a year and should correspond with the company's financial reporting cycle. Special meetings may be convened as required (external auditors and internal auditors may request a meeting if they consider that one is necessary). At a minimum,

the chairman of the committee (or another member of the committee) shall attend the board meeting at which the financial statements are approved.

Only committee members are entitled to attend meetings. The audit committee may invite such other persons (eg. the CEO, CFO, external audit engagement partner & internal auditor) to its meetings, as it deems necessary.

There will be at least one meeting a year, or part thereof, where the audit committee meets the external and internal auditors without executive board members present (this need not be the same meeting).

At the end of each audit, the audit committee and the external auditor will appraise:

- the role of the auditor.
- the role of the audit committee.
- what improvements are needed going forward to achieve their mutual objectives.

During a reasonable period in advance of each meeting the secretary (or CFO if the company secretary is not available) shall circulate the agenda and supporting documentation to the audit committee members. The secretary (or CFO if the company secretary is not available) will also be responsible for distributing the minutes of meetings to the board, members of the committee (and the internal & external auditor where appropriate).

Independence

Each audit committee member must be a member of the company's board of directors. To be considered independent for the audit committee, members may not:

- accept, directly or indirectly, any consulting, advisory or other compensatory fee from the company other than in his / her capacity as a member of the audit committee or board of directors.
- be an 'affiliated person' of the company or any subsidiary thereof.

Purpose & Objectives of the Audit Committee

The audit committee is appointed by the board of directors to assist the board in discharging its oversight responsibilities. In performing its duties, the committee will maintain effective working relationships with the board of directors, management, the external and the internal auditor. The audit committee is responsible for reporting to the board of directors in respect of any key issues identified below.

The audit committee will oversee:

Financial Reporting

The audit committee will gain an understanding of the current areas of greatest financial risk and how these are being managed. They will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information, including guidance. They will review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.

The audit committee will meet with management and the external auditors to review the financial statements, the key accounting policies and judgements, and the results of the audit. They will ensure that significant adjustments, unadjusted differences, disagreements with management, critical accounting policies and any other significant issues affecting the quality of earnings, are discussed with the external auditor.

The committee will review the interim and annual financial statements, and preliminary announcements prior to their release. During this review the audit committee will focus particularly on:

- critical accounting policies and practices, and any changes in them;
- decisions requiring a significant element of judgement;
- the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- the clarity of disclosures;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards;
- compliance with stock exchange, SEC and legal requirements.

The committee will review the clarity and responsiveness to all disclosure requirements and all other sections of the annual report before its release. They will ensure that the information is unbiased, understandable, and consistent with members' knowledge about the company and its operations.

The audit committee must consider the company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The committee must review management policies with respect to risk assessment and risk management.

The audit committee must determine whether the financial statements have been prepared following appropriate accounting standards and that they give a true and fair view. They must then make a recommendation to the Board as to whether to approve the financial statements.

Internal Control

The audit committee will have an understanding of the controls and processes implemented by management to ensure that the financial statements derived from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate management review.

The committee will evaluate whether management is setting the appropriate 'control culture' by communicating the importance of internal control and management of risk. They will consider whether management has implemented recommendations made by the internal and external auditors.

The audit committee will consider if the appropriate measures have been taken with regard to:

- the security of computer systems and applications.

- contingency plans for processing financial information in the event of a system breakdown.
- prevention of computer fraud or misuse.

Compliance with Law and Regulations

The audit committee will satisfy themselves that all appropriate regulatory compliance matters have been considered in the preparation of the financial statements. They will do this by reviewing the effectiveness of the system for monitoring compliance with laws and regulations and obtain regular updates from management and company's legal counsel regarding compliance matters that may have a material impact on the company's financial statements. The committee will also review the findings of any examinations by regulatory agencies.

The audit committee will approve all related party transactions. They will be directly responsible for developing guidelines and policies for reviewing and making informed decisions about related party transactions, with input from legal counsel as may be required. They will confirm that management has appropriate policies and practices in place covering management's identification and review of related party transactions.

External Auditors

The audit committee will assess the qualifications, independence and performance of the independent auditor and make recommendations to the board for the appointment, reappointment or termination of the appointment of the external auditor. The audit committee will approve all audit engagement fees and terms (the company shall provide appropriate funding for the compensation of the external auditors).

The audit committee will:

- review the external auditors' proposed audit scope and approach in the light of the company's present circumstances and changes in regulatory and other requirements.
- discuss with the external auditor the appropriateness of the accounting policies applied in the company's financial reports and whether they are considered as aggressive, balanced or conservative.
- discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
- approve any non-audit services to be completed by the external auditor.

Internal Auditors

The audit committee will review and approve the appointment, replacement or dismissal of the internal auditor. They will review the proposed internal audit plan for the coming year and ensure that it addresses key areas of risk and ensure that there is appropriate co-ordination with the external auditor.

The audit committee will review the activities, resources and organisational structure of the internal audit function and ensure that there are no unjustified restrictions or

limitations made. They will confirm that internal audit activities are being carried out in accordance with professional standards and good practice.