

Corporate Governance Statement

OPERATING WITH INTEGRITY AT ALL LEVELS, AT ALL TIMES



Dear Shareholder

The Cairn Board recognises that its primary purpose is to promote the long-term sustainable success of the Company, generating value for shareholders and other stakeholders and contributing to wider society. In this context, the Board has clearly articulated the Company's purpose, values and strategy (as set out in the Strategic Report section of this annual report on pages 1 to 71) and each of our directors plays a critical role in ensuring that Cairn's culture is aligned with these elements.

Our Board sets the 'tone from the top' by acting with integrity at all times, and leading by example to promote our culture of 'working responsibly' across the business. Our culture promotes integrity and openness in everything we do and we pursue a deep understanding at every level of our organisation of the core set of values which underpin how we do business and the behaviours expected of our people (see page 10). During the year, the Board continued to focus on Corporate Responsibility and ESG-related matters as part of the Company's commitment to working responsibly.

In driving the delivery of the Company's strategy, the Board has also placed much focus on ensuring that the necessary resources are in place for the Company to meet its strategic objectives and measure performance against them. Further information on our strategy and Key Performance Indicators are included on pages 32 to 35 of this annual report. The Board has also established a framework of prudent and effective controls, which enable opportunities and risks to the future success of the business to be considered and addressed. These are further described in the risk management section of this annual report (which includes the Company's viability statement) and in the internal control statement on pages 85 and 86.

The Board also understands that, in order for the Company to meet its responsibilities to shareholders and other stakeholders, it should ensure effective engagement with, and encourage participation from, these parties. Our approach to stakeholder engagement is set out on pages 50 to 52 of this annual report, which also includes a statement from our directors in accordance with section 172 of the Companies Act 2006. This includes a description of how the Board has sought to ensure that it has a clear understanding of the views of shareholders and identifies some of the key issues we have engaged on during 2019.

There has also been a continuing focus on succession planning by both the Board and Nomination Committee, with the aim of assessing the executive, non-executive and senior management succession pipeline at Cairn, and identifying the skills that are needed to support our strategy and business for the long term. We provide further information in relation to our succession planning in the separate nomination committee report on pages 92 and 93. This will continue to be a key area of focus for the Board in future years.

Ian Tyler
Chairman

Compliance with the UK Corporate Governance Code

As a company incorporated in the United Kingdom with a Premium Listing on the London Stock Exchange, Cairn is required to report against the UK Corporate Governance Code (as published by the Financial Reporting Council and available on its website at www.frc.org.uk) (the 'Code'). This statement reports compliance with the version of the Code published in July 2018. Cairn is fully committed to achieving compliance with the principles and provisions set out in the Code and the Board is responsible for ensuring that an appropriate framework is in place to do so.

The information in this statement (together with the Strategic Report, Audit Committee Report, Nomination Committee Report, Directors' Remuneration Report and Directors' Report describes the manner in which the Company has applied the main principles of governance set out in the Code and complied with the individual Code provisions. It is the Board's view that the Company has complied with the 2018 version of the Code throughout 2019, with one minor exception in relation to the composition of the audit committee for the period from 17 May 2019 to 1 July 2019 (see page 83).

Following publication of the 2018 version of the Code, the Board has carefully considered the new provisions included in the Code and related Guidance on Board Effectiveness, as well as new requirements introduced by The Companies (Miscellaneous Reporting) Regulations 2018 (which also apply to financial years beginning on or after 1 January 2019). The Board considers that a number of the new Code and regulatory requirements are already satisfied by Cairn's existing policies and practices, and where any gaps were identified, the Company has developed its governance arrangements as necessary in preparation for reporting against the new requirements for the first time this year. The Board recognises that reporting in some areas will continue to evolve in future years and will continue to monitor, review and develop its governance arrangements to ensure these are effective.

One particular area of focus during 2019 has been to expand the Company's existing channels of engagement with the workforce and, in line with the Code, the Company established a formal workforce advisory panel in early 2019. This panel, which we refer to as the Employee Voice Forum (EVF), comprises eight employees who provide a broad representative mix of regions and functions across the business and is chaired by one of our independent Non-Executive Directors (Nicoletta Giadrossi).

The EVF met twice during the year with an inaugural meeting in May 2019, and a further meeting held in September 2019. The employee members of the EVF also hold a pre-meeting (without the chair present) approximately four weeks in advance of scheduled EVF meetings in order to identify agenda items and topics for discussion. Employee members are also provided with summarised outputs from the Company's employee engagement surveys to assist in stimulating discussion and to help identify any other matters for prioritisation and discussion at EVF meetings. Following each meeting, the chair also reports to the Board on the matters discussed by the EVF, thereby allowing for broader Board discussion of any topics or issues identified by the workforce and appropriate consideration of these in the context of the Board's decision-making.

The Board

Cairn's business is international in scope and carries political, commercial and technical risks. Accordingly, particular attention is paid to the composition and balance of the Board to ensure that it has wide experience of the industry and regulatory environment in which Cairn operates, and appropriate financial, operational and risk management skills. In each Board appointment, whether executive or non-executive, objectivity and integrity, as well as skills, experience, ability and diversity, assist the Board in its key functions, and are prerequisites for appointment. This also applies to senior management appointments below Board level and to our succession planning.

The Company considers ongoing refreshment of the Non-Executive Directors on the Board to be positive as it brings new thinking to the Company as well as ensuring there is a healthy level of independent challenge to management. The Board's collective skills and experience equip it to direct the Company's strategy and meet its business needs as they evolve over time. The Board is also mindful, however, that an appropriate balance between directors who can bring a new perspective and those who provide continuity is essential for a business like Cairn's.

Following the retirement of Jackie Sheppard and Alexander Berger as Non-Executive Directors on 31 December 2018 and 16 May 2019 respectively, the Company appointed Alison Wood and Catherine Krajicek as Non-Executive Directors with effect from 1 July 2019. The Company is currently in the final stages of the appointment process for one further Non-Executive Director, who will succeed our longest serving Non-Executive Director Todd Hunt. Mr Hunt will not seek re-election at the AGM to be held on Thursday 14 May and as such will retire as a Non-Executive Director immediately following the AGM. Further information on Board succession planning and the appointment process for our new Non-Executive Directors is included in the Nomination Committee Report on pages 92 and 93.

In view of the above changes, the Board currently comprises two Executive Directors and seven Non-Executive Directors, including the Chairman. The Directors of the Company as at the date of this statement are set out in the table below and further biographical information about our Directors is also included in the Board of Directors section on page 75.

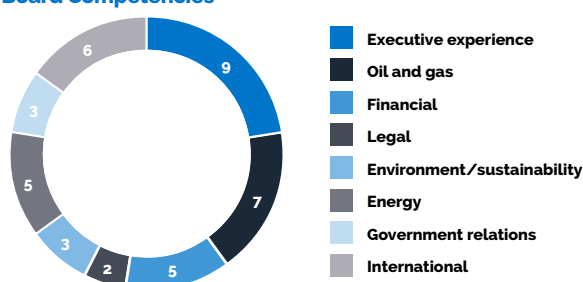
Name	Role	Date of appointment (in current role)	Date of last re-election
Simon Thomson	Chief Executive	July 2011	17 May 2019
James Smith	Chief Financial Officer	May 2014	17 May 2019
Ian Tyler	Non-Executive Chairman	May 2014	17 May 2019
Todd Hunt	Non-Executive Director	May 2003	17 May 2019
Keith Lough	Non-Executive Director	May 2015	17 May 2019
Peter Kallos	Non-Executive Director	September 2015	17 May 2019
Nicoletta Giadrossi	Non-Executive Director	January 2017	17 May 2019
Alison Wood	Non-Executive Director	July 2019	N/A*
Catherine Krajicek	Non-Executive Director	July 2019	N/A*

* Alison Wood and Catherine Krajicek will seek re-election by shareholders at the AGM to be held on 14 May 2020.

Corporate Governance Statement continued

Diversity is a key element of the Cairn Board, with emphasis placed not only on gender but also on culture, nationality, experience and cognitive diversity. Following the appointment of Alison Wood and Catherine Krajicek as Non-Executive Directors, the number of women on the Board increased from one to three with effect from 1 July 2019. The Board continues to demonstrate diversity in a wider sense, with Directors from Europe and the USA as well as the UK, bringing a range of domestic and international experience to the Board. The Board's diverse range of experience and expertise covers not only a wealth of experience of operating in the oil and gas industry but also extensive technical, operational, financial, governance, legal and commercial expertise. Further information on diversity within Cairn is included in the Nomination Committee Report on page 93 and in the Strategic Report section of this Annual Report.

Board Competencies



Division of Responsibilities Between Chairman and Chief Executive

The Company has a clear division of responsibilities between the Chairman and the Chief Executive, which is set out in writing and agreed by the Board.

Chairman: key responsibilities	Chief Executive: key responsibilities
<ul style="list-style-type: none"> Leading the Board in an ethical manner and promoting effective Board relationships. Ensuring that the Board plays a full and constructive part in the determination and development of the Company's strategy. Building a well balanced Board, considering Board composition and Board succession. Ensuring the effectiveness of the Board and individual Directors. Overseeing the annual Board evaluation and acting on its results. Ensuring appropriate induction and development programmes for Directors. Setting the Board agenda, chairing Board meetings and overseeing implementation of the Board's decisions. Engagement with shareholders and other stakeholders when appropriate. 	<ul style="list-style-type: none"> Managing the business and proposing and developing the Company's strategy and overall objectives in consultation with the Board. Driving the successful and efficient achievement of the Company's Key Performance Indicators (KPIs) and strategic objectives. Leading the Senior Leadership Team in ensuring the effective implementation of decisions of the Board and its committees. Providing strong and coherent leadership of the Company and effectively communicating the Company's culture, values and behaviours internally and externally. Engagement with shareholders and other stakeholders.

Senior Independent Director

Peter Kallos is the Company's Senior Independent Non-Executive Director. The main responsibilities of the Senior Independent Non-Executive Director are as follows:

- To provide a sounding board for the Chairman and to serve as an intermediary with other Directors when necessary;
- To be available to shareholders and other stakeholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate; and
- To meet with the other Non-Executive Directors without the Chairman present, at least annually, in order to appraise the Chairman's performance.

Performance Evaluation

The Board continually strives to improve its effectiveness and recognises that the performance evaluation process represents an annual opportunity to enhance overall Board effectiveness. In line with the Code recommendation to conduct an externally facilitated Board evaluation at least every three years, the Board appointed Independent Audit to facilitate its performance evaluation for 2018 (previous externally facilitated evaluations took place in 2012 and 2015, with evaluations conducted internally in the intervening years).

The main action points arising from the 2018 external performance evaluation and progress against these are set out in the table below.

Key action points/Implementation
(disclosed in last year's Corporate
Governance Statement)

Progress

Refocusing of the management presentation part of Board meetings

A review of the format and approach (including content and structure) for the management presentation part of Board meetings is being undertaken to ensure that this continues to allow for an appropriate level of Board discussion on different areas of the business, and that the main Board session is more focused around a tighter agenda.

The Board adopted a revised format for the management presentation part of Board meetings with effect from the March 2019 Board meeting. Feedback from the 2019 evaluation is that this is working well and allowing for rigorous discussion at Board meetings, whilst also remaining focused on key strategic issues.

Succession planning

The evaluation provided useful insights into the Board's ongoing succession planning activities, with a particular focus on the current process to recruit two new Non-Executive Directors and how best to ensure that the Board has the right mix of skills and diversity going forward.

The Board appointed two new Non-Executive Directors in July 2019, both of whom are women. One further Non-Executive Director will shortly be appointed to succeed Todd Hunt, who will retire following the AGM on 14 May 2020. These appointments are key to ensuring that the Board has an appropriate mix of skills and diversity going forward.

Culture

The evaluation reinforced that culture is a strategic matter which requires ongoing focus by the Board, including workforce and other stakeholder engagement. The Company will continue to develop and enhance its activities in this area to facilitate the integration of these matters with the Board's strategic discussions.

The Board is very cognisant of its critical role in driving the culture of the business and recognises the importance of seeking feedback on culture and strategy through appropriate mechanisms such as the Employee Voice Forum and employee engagement surveys.

For 2019, in view of the external evaluation carried out in 2018, it was agreed at the September 2019 Board meeting that an internal Board performance evaluation would be carried out. The Company Secretary prepared a questionnaire for this purpose, which was then reviewed and approved by the Chairman. The questionnaire was subsequently completed by all directors to evaluate the performance of the Board, its committees, and individual Board members. The performance evaluation of the Chairman was also carried out by internal questionnaire. This was prepared by the Company Secretary and reviewed and approved by the Senior Independent Non-Executive Director.

Following completion of the internal questionnaires, the Chairman held a round table meeting with all Board members present to discuss the results of the performance evaluation. The Senior Independent Non-Executive Director also held a meeting with Board members (without the Chairman present) in order to discuss the performance evaluation of the Chairman.

The outcome and findings from the 2019 internal performance evaluation were then discussed at the November 2019 Board meeting. The main action points arising from the 2019 performance evaluation include the following:

Key action points	Implementation
Communications between Board meetings	The Board considered how best to continue to optimise communications between scheduled Board meetings, with a focus on the provision of additional 'event driven' updates from the Executive Directors.
Ongoing focus on culture	The Board will continue to pursue a deep understanding of the culture of the organisation from the 'bottom up', through ongoing engagement with employees and other stakeholders.

As explained above, some improvements have been identified and have already been implemented or will be addressed during 2020.

Following the Board performance evaluation process conducted in 2019, the Board and the Board committees are satisfied that they are operating effectively and that each Director has performed well in respect of that Director's role on the Board and its committees. The Board believes that all of the Directors' performance continues to be effective and that they each demonstrate commitment to their role. The Nomination Committee has also reviewed the outcomes of the 2019 evaluation to consider how these influence or otherwise impact on Board composition.

The Executive Directors also have their performance reviewed by the Remuneration Committee against the Group KPIs which are set annually (further details of the KPIs can be found on pages 32 to 35). The 2019 bonuses payable to the Executive Directors under the Company's discretionary cash bonus scheme (described further in the Directors' Remuneration Report on pages 94 to 123) are linked directly to the Group's performance against these KPIs. As the KPIs set out our strategic objectives, this ensures that executive performance is directly linked to Group strategy.

Independence of Non-Executive Directors

The Board considers the independence of each of the Non-Executive Directors on an ongoing basis, taking into account their integrity, their objectivity and their contribution to the Board and its committees. The Board is of the view that the following behaviours are essential for a Director to be considered independent:

- Provides an objective, robust and consistent challenge to the assumptions, beliefs and views of senior management and the other Directors;
- Questions intelligently, debates constructively and challenges rigorously and dispassionately;
- Acts at all times in the best interests of the Company and its shareholders and other stakeholders;
- Has a detailed and extensive knowledge of the Company's business and of the market as a whole which provides a solid background against which they can consider the Company's strategy objectively and help the Executive Directors develop proposals on strategy; and
- Has no close ties or material relationships with the Company, either directly or indirectly.

Having reviewed the independence of each of the Non-Executive Directors against these criteria, the Board concluded that all Non-Executive Directors demonstrated each of the required competencies to a high level and are, therefore, each considered independent by the Board.

The Board recognises that, in view of the characteristics of independence set out in the Code, length of service is an important factor when considering the independence of Non-Executive Directors and that Directors having served for longer than nine years may not be considered independent. Todd Hunt has served as a Non-Executive Director on the Board since May 2003. The Board is, however, satisfied that Todd's judgement has remained independent and that he has consistently displayed all of the behaviours expected of our independent Non-Executive Directors. However, as explained on page 77, Mr Hunt will retire as a Non-Executive Director following the AGM on 14 May 2020.

Time Commitment of Non-Executive Directors

The Board recognises its responsibility under the Code to take into account other demands on each Director's time, with a view to ensuring that its Directors (particularly those Non-Executive Directors who sit on other public company boards) have sufficient time to devote to their role on the Cairn Board. Prior to appointment, each individual's other significant commitments are disclosed and there is also a policy in place to ensure that additional external appointments are not undertaken without prior consultation. The other directorships held by each Non-Executive Director (where applicable) are disclosed in the Board of Directors section on page 75.

None of our Non-Executive Directors currently sit on more than four public company boards (including Cairn) and those who do sit on other public company boards have taken appropriate steps to ensure that they have sufficient time to devote to their role on the Cairn Board. By way of example, Nicoletta Giadrossi's board positions are in different jurisdictions which do not conflict with her Cairn commitments and she is based in Paris which enables her to travel easily to each of her board commitments.

Corporate Governance Statement continued

Re-Election of Directors

In accordance with the Code, all of the Company's directors are subject to annual re-election by shareholders. As such, each of the current Directors, other than Todd Hunt, will seek re-election at the AGM to be held on Thursday 14 May 2020.

Induction and Development

New Directors receive a full and appropriate induction on joining the Board. This involves a tailored programme of meetings with other Board members, senior management and the Company Secretary.

In addition, new Directors are provided with a comprehensive induction pack which contains a wide range of materials including:

Board	Board papers and minutes of previous meetings; schedule of matters reserved to the Board; list of Board and committee members and dates of appointment; and schedule of dates for Board and committee meetings.
Committees	Terms of reference for all Board committees.
Risk	Terms of reference for Risk Management Committee and minutes of last meeting; current Group Risk Matrix and Risk Appetite Statement; FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.
Key policies	Cairn Operating Standards, Group Corporate Responsibility Guiding Principles; Group Code of Ethics; Anti-Bribery-and-Corruption (ABC) Management System; Dealing Code; Insider Lists Process; Procedures, Systems and Controls for Compliance with the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules.
Organisation	Organisational Structure, Group Structure Chart, latest Annual Report and Accounts.
Governance	UK Corporate Governance Code; all supporting FRC Guidance; FRC Feedback Statement on UK Board Succession Planning; FRC Report Corporate Culture and the Role of Boards; ICSA and Investment Association Guidance on the Stakeholder Voice in Board Decision Making.
Legal/regulatory	Memorandum on continuing obligations of directors of premium listed companies; ICSA Guidance on Directors' General Duties; ICSA Guidance on Liability of Non-Executive Directors; GC 100 Guidance on Directors Duties; Section 172 and Stakeholder Considerations; GC 100 and Investor Group Guidance on Directors' Remuneration Reporting.
Insurance	Full details of Directors' and Officers' liability cover.

The Company ensures that new Directors also receive additional induction support and training ahead of assuming any additional responsibilities such as membership of Board committees. By way of example, Alison Wood received a comprehensive induction presentation in July 2019 prior to attending her first meeting as a member of the Audit Committee in September 2019. Where appropriate, the Company also arranges for new Non-Executive Directors to receive additional briefings on key matters regularly discussed by the Board. By way of example, our new Non-Executive Directors were given a briefing on the Indian arbitration process by the Group Legal Manager.

The Company provides, on an ongoing basis, the necessary resources for developing and updating its existing Directors' knowledge and capabilities. In particular, the Company is committed to the provision of continuing professional development training for its Directors. In 2019, the Company continued with its practice of providing a Directors' Education Programme consisting of a number of seminars for Board members, which are presented by the Company's external advisers/guest speakers/members of senior management, on subjects appropriate to the Company's business, including changes to legislation, regulation and market practice. During 2019, the subjects covered by these seminars included:

- Q1** A presentation on Hedging delivered by the CEO of Commodities Trading Corporation.
- Q2** A pre-strategy session (on the same day as the Board's annual strategy session) including a presentation delivered by Wood Mackenzie on 'The state of the oil and gas industry today and the view going forward'
- Q3** Presentations delivered by senior management including:
 - Review of Cairn's Corporate Responsibility Management System (CRMS) delivered by the Group HSE Manager
 - Talent Management Project: Progress Update delivered by the Group HR Manager
- Q4**
 - Board risk workshop considering the impact of climate change policy and energy transition on the Company and the oil and gas exploration and production sector, facilitated by Lazards (led by the Senior Vice President Research Analyst and Senior Vice President, Co-Head of Sustainable Investment and ESG)
 - Annual ABC update delivered by Pinsent Masons

These seminars are incorporated into the schedule for the relevant Board meeting and are attended by all Directors present at such meetings as well as the Chief Operating Officer and Director of Exploration (the Company keeps a record of attendance). Any Director may request that a particular subject be covered in a seminar. By way of example, the session on Hedging in Q1 was arranged at the request of certain Board members to gain a deeper understanding of this topic in view of the Group's hedging activities.

Information and Support

The Board has full and timely access to all relevant information to enable it to discharge its duties. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flows within the Board and its committees and between executive management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required. The Company Secretary ensures the presentation of high quality information to the Board and its committees and that all papers and information are delivered in a timely fashion. Board and committee papers are delivered securely through an electronic platform.

The Company Secretary and Deputy Company Secretary are responsible for advising the Board, through the Chairman, on all corporate governance matters, and each Director has access to the advice and services of the Company Secretary and Deputy Company Secretary.

There is also a procedure agreed by the Board for directors, in furtherance of their duties, to take independent professional advice if necessary, at the Company's expense.

Conflicts of Interest

The Board has in place a procedure for the consideration and authorisation of conflicts or possible conflicts with the Company's interests. All Directors are aware of the requirement to submit details to the Company Secretary or Deputy Company Secretary of any current situations (appointments or otherwise) which may give rise to a conflict, or potential conflict, of interest. The Board will continue to monitor and review potential conflicts of interest on a regular basis.

Whistleblowing

The Group has a robust Whistleblowing Policy in place through which the workforce can raise any matters of concern – further information on the Group's Whistleblowing Policy is included in the Audit Committee Report on page 91.

Matters Reserved to the Board and Delegation of Authority

The Board has a formal schedule of matters specifically reserved to it for decision, which is divided into categories covering different types of decisions, including: corporate; Board/directors; financial/operational; and legal/regulatory.

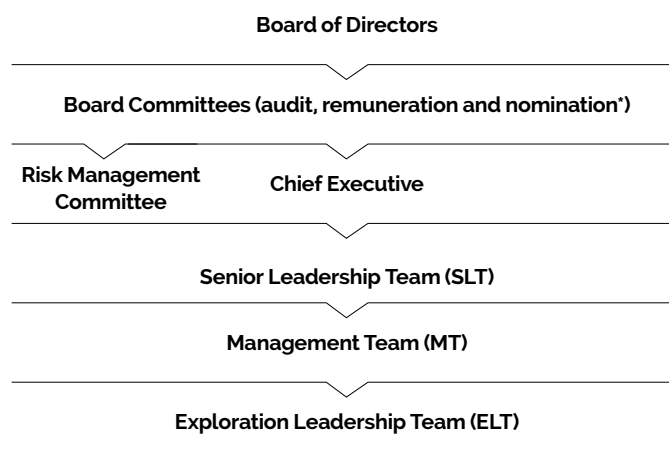
By way of example, some of the matters which the Board considered and/or approved during 2019 and Q1 2020 were:

Corporate	Board/Directors
The Company's 2018 and 2019 Annual Report and Accounts and 2019 Half Yearly Report	Approval of new terms of reference for each of the Board committees
The Company's 2019 AGM circular	Appointment of two new Non-Executive Directors
The Company's Risk Appetite Statement	Changes to Board committees
Review of the Company's Corporate Responsibility Management System	Detailed review of talent management and succession planning
Financial/Operational	Legal/Regulatory
The appropriateness of the Group going concern sign-off for the 2018 and 2019 full year accounts and 2019 half year Financial Statements	Oversight of the arbitration process seeking resolution of the Indian tax issue
The Company's viability statement	Approval of the Company's Modern Slavery Statement and its publication on the Company's website
The Company's annual work programme and budget	Approval of the Group Tax Strategy and its publication on the Company's website
Group Reserves and Resources	

In addition to the above, the Board conducts an annual review of the effectiveness of the Company's internal controls (with ongoing monitoring of this throughout the year), an annual intensive strategy session (normally in June each year), and an annual 'deep dive' risk management workshop (normally in November each year).

The Board also has an approved set of financial delegations of authority to ensure clarity throughout the business concerning the distinction between financial matters which require Board approval and those that can be delegated to senior management.

Board and Management Committee Structure



* Further information on our Board committees is contained later in this statement on pages 83 and 84 and in the separate Audit Committee Report, Nomination Committee Report and Directors' Remuneration Report.

The senior management structure beneath Board level remains unchanged from that disclosed in last year's corporate governance statement, with the Senior Leadership Team (SLT) and Management Team (MT) continuing to play a key role in supporting the Board.

In 2019, the SLT comprised the Chief Executive, the Chief Financial Officer, the Chief Operating Officer, the Director of Exploration, the Director, Corporate Affairs, the Directors for the UK/Norway and International regions and the General Manager, Senegal. The SLT is chaired by the Chief Executive and meets six times per year with those meetings scheduled in advance of Board meetings.

Key elements of the SLT's role include the following:

- Devising and generating the Company's strategy to be proposed to the Board for approval and implementing and communicating this strategy across the business;
- Implementing the business plan, the key performance indicators and annual work programme and budget following their approval by the Board;
- Considering business development and new venture projects prior to recommending these to the Board; and
- Providing leadership and guidance to the Company on vision, strategy, culture, corporate governance, corporate responsibility and HSE matters.

The members of the SLT are also members of the RMC, which identifies and reviews key business risks – further information on the role of the RMC is contained in the internal control section of this statement on page 86.

The MT is chaired by the Chief Operating Officer and meets formally six times per year, with four of those meetings focusing on a quarterly performance review of the business.

Corporate Governance Statement continued

The key elements of the MT's role include the following:

- Developing and executing the annual work programme and budget, which will deliver the Company's strategic objectives;
- Assessing and determining the mitigation plans for key business risks and ensuring that risks are captured and reviewed regularly;
- Coordinating operations and licence management along with resource allocation and organisational alignment to ensure timely and cost-effective delivery against approved budgets;
- Oversight of the Company's commitment to working responsibly; and
- Reviewing and approving the Company's Operating Standards.

The Exploration Leadership Team (ELT), which is chaired by the Director of Exploration, meets on a monthly basis to assist the Director of Exploration in delivering a robust exploration portfolio, with a particular focus on the following:

- Providing assurance that opportunities being pursued by new ventures are sufficiently value-added and meet Cairn's strategic objectives;
- Considering whether opportunities being pursued have acceptable subsurface, above ground and fiscal attributes to continue evaluation;
- Developing a timeline for each existing or proposed opportunity which drives to a decision, including drill or drop, as expeditiously as practical;
- Ensuring that the subsurface geoscience aspects of all exploration and appraisal and new venture opportunities align with Cairn's strategic objectives;
- Ensuring consistent, efficient screening and ranking of exploration opportunities, following initial data room assessment but prior to detailed evaluation, utilising the significant knowledge and experience of the team;
- Ensuring that the significant knowledge and experience of the team is utilised appropriately and consistently in the delivery of best practice across all areas of geological and geophysical (G&G) analysis in accordance with Cairn's business plan and core business principles; and
- Considering and/or seeking appropriate data subscriptions, purchases and academic collaborations to ensure rapid opportunity evaluation and capture.

Board Meetings

During 2019, seven scheduled meetings of the Board were held, with the majority of these meetings taking place over two consecutive days (the only exceptions to this being one shorter Board update meeting held in January and another shorter meeting in early September to approve the Company's 2019 Half Year Report). The first day of Board meetings normally includes a CEO lunch with the Non-Executive Directors and (when applicable) a Board education session, followed by a report from the CEO and CFO and a management presentation, both of which form part of the formal business of the Board meeting.

The CEO and CFO report and management presentation provide a detailed update from senior management and other employees on key projects, assets or matters to be considered at the Board meeting, allowing opportunity for a technically rigorous discussion. This information allows the Board to understand more fully any risks or challenges to the business plan and strategy and also provides broad exposure to the employee base within the Company. The full Board then meets for dinner at the end of the first day and is joined by the Chief Operating Officer and the Director of Exploration.

Board committee meetings are also scheduled for the same dates as Board meetings and are either split over two days or scheduled for one day, depending on the number of committee meetings required. All Board committee meetings take place prior to the main part of the Board meeting so that the chair of each committee can provide a report to the Board. These are followed by the remainder of the formal business of the Board meeting and a Board lunch. The Chairman also holds a short meeting with the other Non-Executive Directors (without the Executive Directors) at the end of the second day.

Four of the Board meetings during 2019 were held at the Company's registered office in Edinburgh and three were held at the Company's office in London. Details of attendance at each of those Board meetings, and at meetings of each of the Board committees, are set out on page 83. Any Director who is physically unable to attend Board and committee meetings is given the opportunity to be consulted and comment in advance of the meeting by telephone or in writing. Video and telephone conferencing facilities are used on the rare occasions that Directors are not able to attend meetings in person.

The annual timetable for Board and committee meetings is discussed at least 18 months prior to its commencement allowing the Directors to plan their time accordingly. The Board and committees have agreed dates for all scheduled meetings in 2020 and 2021. This process ensures that the Chairman can be comfortable that each Director is able to devote sufficient time and resources to their role on the Board and, where relevant, its committees.

The formal agenda for each scheduled Board meeting is set by the Chairman in consultation with the Chief Executive and the Company Secretary. The system for establishing agenda items means that the Chairman, the Board and each of the Board committees have the confidence that all required items are included on their agenda at the most appropriate time of the year and that there is sufficient time allocated for discussion, allowing the Directors to discharge their duties effectively.

Formal minutes of all Board and committee meetings are circulated to all directors prior to the subsequent Board meeting and are considered for approval at that Board meeting. In addition, the members of the Board are in frequent contact between meetings regarding progress of the Group's business plan, one example being an annual Board update call in January ahead of the other scheduled Board meetings for the year. There is also a procedure in place to allow Board meetings to be convened at short notice where required to deal with specific matters which need to be considered between scheduled Board meetings.

As noted above, the Non-Executives have a practice of meeting informally at the end of each Board meeting without Executive Directors being present. At these Non-Executive forums, the Non-Executive Directors are invited by the Chairman to bring forward any matter pertaining to the business of the Board that they believe would benefit from discussion in such forum. This practice also applies after Board committee meetings to ensure that Non-Executive Directors can discuss any relevant issues arising from those meetings without management being present.

Directors' attendance at 2019 Board and committee meetings

The table below sets out the attendance record of each Director at scheduled Board and Board committee meetings during 2019.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Meetings held during 2019⁽¹⁾	7	4	4	4
	Meetings attended	Meetings attended	Meetings attended	Meetings attended
Executive Directors				
Simon Thomson (CEO)	7	n/a ²	n/a ²	4
James Smith (CFO)	7	n/a ³	n/a	n/a
Non-Executive Directors				
Ian Tyler (Chairman)	7	n/a ⁴	4	4
Peter Kallos (senior independent director)	7	n/a	4	4
Todd Hunt	7	n/a	n/a	n/a
Keith Lough	7	4	n/a	4
Nicoletta Giadrossi	7	4	4	4
Alison Wood ⁵	3	2	n/a	n/a
Catherine Krajicek ⁶	3	n/a	n/a	n/a
Former Non-Executive Director				
Alexander Berger ⁷	3	1	n/a	n/a

Notes:

n/a not applicable (where a Director is not a member of the committee).

1 During 2019, certain Directors who were not committee members attended meetings of the Audit Committee, Remuneration Committee and Nomination Committee by invitation. These details have not been included in the table.

2 Simon Thomson is not a member of the Remuneration Committee but attends its meetings by invitation (other than parts of meetings where he would be conflicted). Mr Thomson also attends Audit Committee meetings by invitation.

3 James Smith is not a member of the Audit Committee but attends its meetings by invitation.

4 Ian Tyler is not a member of the Audit Committee but attends its meetings by invitation.

5 Alison Wood was appointed as a Non-Executive Director and as a member of the Audit Committee with effect from 1 July 2019. The number of meetings she attended is stated from that date.

6 Catherine Krajicek was appointed as a Non-Executive Director with effect from 1 July 2019. The number of meetings she attended is stated from that date.

7 Alexander Berger retired as a Non-Executive Director on 17 May 2019. The number of meetings he attended is stated up to that date.

Board Committees**Board Committee Structure During 2019**

Each of the Board committees is provided with all necessary resources to enable them to undertake their duties in an effective manner and has formal terms of reference approved by the Board. Copies of the terms of reference, which were reviewed and updated in line with the 2018 version of the Code and approved by the Board in March 2019, are available on the Company's website. The Company Secretary acts as secretary to the Remuneration and Nomination Committees and the Deputy Company Secretary acts as secretary to the Audit Committee. The minutes of all committee meetings are circulated to all Directors.

In line with best practice, more detailed reports from the Audit and Nomination Committees are presented as separate reports (on pages 87 to 93) rather than including these in the Corporate Governance Statement. In addition, full details of the Company's remuneration policy are given in the separate Directors' Remuneration Report on pages 94 to 123. Summary details of the composition of each committee and meetings held during 2019 are set out below.

Audit Committee

The members of the Audit Committee during the year were as follows:

- Keith Lough (Chair);
- Nicoletta Giadrossi;
- Alison Wood (appointed as a member of the Committee with effect from 1 July 2019); and
- Alexander Berger (retired as a Non-Executive Director and member of the Committee on 17 May 2019).

The Audit Committee met four times during 2019 and currently comprises three independent Non-Executive Directors. The Chairman of the Board is not a member of the Committee but attends its meetings by invitation. As referred to in the statement included on page 77 regarding compliance with the Code, there was a brief period during 2019 when the composition of the Audit Committee did not comply with Code provision 24 which states that 'The board should establish an Audit Committee of independent Non-Executive Directors, with a minimum membership of three, or in the case of smaller companies, two'. This non-compliance was limited to a short period of less than two months between Alexander Berger's retirement on 17 May 2019 and Alison Wood's appointment on 1 July 2019.

Further information on the role, responsibilities and work of the Audit Committee is included in the Audit Committee Report on pages 87 to 91.

Corporate Governance Statement continued

Remuneration Committee

The members of the Remuneration Committee during the year were as follows:

- Nicoletta Giadrossi (Chair);
- Ian Tyler; and
- Peter Kallos.

The Remuneration Committee met four times during 2019 and currently comprises three independent Non-Executive Directors. The Chief Executive is not a member of the Committee but attends its meetings by invitation. The Committee's remuneration advisers (Aon Hewitt Limited) and management's remuneration advisers (Deloitte) also attended some of the Committee's meetings. None of the members of the Committee, nor the Chief Executive nor the Chairman, participated in any meetings or discussions relating to their own remuneration. The Committee has established a practice of meeting informally without any Executive Directors or advisers present after each Committee meeting to allow the Non-Executives to discuss any matter which has arisen in the meeting (or relating to the duties of the Committee) which they believe would benefit from discussion in such forum.

Further information on the role, responsibilities and work of the Remuneration Committee is included in the Directors' Remuneration Report on pages 94 to 123.

Nomination Committee

The members of the Nomination Committee during the year were as follows:

- Ian Tyler (Chair);
- Simon Thomson;
- Keith Lough;
- Peter Kallos; and
- Nicoletta Giadrossi

The Nomination Committee met four times in 2019. The Chairman and three of the Company's independent Non-Executive Directors are members of the Committee. In addition, to ensure continuing executive input on nomination matters, the Chief Executive is also a member of the Committee.

Further information on the role, responsibilities and work of the nomination committee is included in the separate Nomination Committee Report on pages 92 and 93.

Shareholders and Annual General Meeting (AGM)

Communications with shareholders are given high priority by the Board. The Company has implemented the provisions of the Companies Act 2006 regarding electronic communication with its shareholders, in order to give shareholders more choice and flexibility in how they receive information from the Company. Cairn responds promptly to correspondence from shareholders and the Company's website contains a wide range of information on the Company, including a dedicated investor relations section.

In order to ensure that the members of the Board develop an understanding of the views of major shareholders, there is regular dialogue with institutional shareholders, including meetings with executive management after the announcement of the year end and half year results. The Chairman is available to attend a number of these meetings. The Board is kept informed of any issues raised by shareholders both as a standing agenda item in Board papers and through feedback at Board meetings and following results or other significant announcements. In addition, the Company maintains an investor relations database which details all meetings between the Company and its investors or other related stakeholders. All analyst reports relating to the Company are also distributed to the Board.

A list of the Company's major shareholders can be found in the Directors' Report on page 126. The Company recognises that the success of the comply-or-explain approach under the Code depends on an ongoing and open dialogue with shareholders, and remains committed to engaging with shareholders, as well as governance and proxy voting agencies, on any matter which they wish to discuss in relation to the Company's governance.

The Company has a rolling programme of investor roadshows to ensure that senior management are regularly engaging with current and potential investors. During the last 18 months, certain directors have also engaged directly (either through meetings or by telephone/written correspondence) with specific investors, investor groups, and proxy advisory agencies on a range of matters including progress against strategic objectives, diversity and remuneration. During 2019, this also included consultation between the chair of the remuneration committee and major shareholders on the remuneration policy proposed for approval at the 2020 AGM.

AGM details (2019 and 2020)	Overview
2019 AGM: held on Friday 17 May 2019 The Caledonian Waldorf Astoria Hotel, Edinburgh	- Full Director attendance - Highest votes in favour >99% for five resolutions - No resolutions with <92% in favour
2020 AGM: to be held on Thursday 14 May 2020 The Caledonian Waldorf Astoria Hotel, Edinburgh (full details in Notice of AGM)	- Full Director attendance expected - 14 ordinary resolutions and 4 special resolutions being proposed to shareholders

The Board uses the AGM to communicate with private and institutional investors and welcomes their participation. It is policy for all Directors to be present at the AGM, with the Chair of each of the Board committees expected to attend and be prepared to answer shareholder questions on areas within their remit. Our employees based in Edinburgh are also invited to attend the AGM as the Directors recognise that this provides a valuable opportunity for workforce engagement with the Board.

As part of our commitment to transparency we look to involve shareholders fully in the affairs of the Company and to give them the opportunity at the AGM to ask questions about the Company's performance and activities. Details of resolutions to be proposed at the AGM on 14 May 2020 and an explanation of each resolution can be found in the separate Notice of AGM.

The proxy votes for and against each resolution, as well as abstentions, will be counted before the AGM and the results will be made available following the meeting after the shareholders have voted in a poll on each resolution. Both the Form of Proxy and the poll card for the AGM include a 'vote withheld' option in respect of each resolution, to enable shareholders to abstain on any particular resolution. It is explained on the Form of Proxy that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' or 'against' a resolution. To date, the Company has never received 20% or more of votes cast against the Board recommendation for any resolution proposed at an Annual General Meeting of the Company.

Information Pursuant to the Takeover Directive

The Company has provided the additional information required by the Disclosure and Transparency Rules of the UK Listing rules (and specifically the requirements of DTR 7.2.6 in respect of directors' interests in shares; appointment and replacement of directors; powers of the Directors; restrictions on voting rights and rights regarding control of the Company) in the Directors' Report.

Internal Control

The Board has overall responsibility for the Group's system of internal control, which includes all material controls, including financial, operational and compliance controls and related risk management, and for regularly reviewing its effectiveness. The system of internal control is designed to identify, evaluate and manage significant risks associated with the achievement of the Group's strategic objectives. Because of the limitations inherent in any system of internal control, Cairn's system is designed to meet its particular needs and the risks to which it is exposed, with a focus on managing risk rather than eliminating risk altogether. Consequently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has in place an Integrated Internal Control and Assurance Framework (the "Framework"), which plays a critical role in setting out how the Company manages and assures itself that the risks relating to the achievement of corporate vision, strategy and objectives are effectively controlled. The Framework is based on the Committee of Sponsoring Organisations (COSO) framework and its five key components, which is a commonly used and recognised international framework for considering internal control systems. The COSO framework seeks to help organisations develop systems of internal control which help facilitate the achievement of business objectives and improvements in Company performance. The COSO framework also supports organisations in adapting to increasingly complex business environments and managing risks to acceptable levels with the aim of safeguarding shareholders' interests and Company assets.

The Framework has been in place for the 2019 financial year and up to the date of approval of the Annual Report and Accounts. The Board, supported by the Audit Committee, has carried out a review of the effectiveness of the systems of internal control during 2019 and will ensure that a similar review is performed in 2020. In so doing, the Board and Audit Committee took into account the assurance provided by the Chief Executive in respect of the effectiveness of the Group's system of internal control. The Board is accordingly satisfied that effective controls are in place and that risks have been mitigated to a tolerable level across the Group in 2019.

Particular attention has been placed by the Company's management on ensuring that an effective system of internal control has been maintained during the year in relation to the key risks in the Company's business activities. Enhancements have been made during 2019 to the following key controls, business processes and procedures:

- The Board completed a risk workshop which focused on identifying and analysing potential threats from climate change policy and the energy transition. The objective of the workshop was to give the Board further insight into some of the potential threats to Cairn during the transition to a low carbon economy and to consider some initiatives to strengthen the governance of the risks and opportunities associated with the transition;
- The MT conducted a review of the risks, mitigations and actions identified on the Group risk register each quarter to ensure ownership for the risks, mitigations and actions were clearly assigned and implementation dates for actions were tracked;
- An anti-bribery and corruption risk assessment was completed on Mexico to identify high risk areas. A number of actions were agreed at the workshop to further mitigate the identified risks;
- Pinstent Masons completed a review of the Group's anti-bribery and corruption management system. The objective of the review was to assess the design of the bribery and corruption compliance programme. The review concluded that the anti-bribery programme is well designed. The report identified possible enhancements which will further strengthen the compliance programme. These will be actioned in 2020;
- A compliance dashboard was developed to assess compliance with a number of key regulations impacting the Group including UK Bribery Act, GDPR, CCO, CMAPP and modern slavery. The dashboard was presented at each RMC meeting and annually to the Audit Committee as part of the year end control assessment;

- Assurance maps for the Group were updated in Q1 2019 to capture the key sources of assurance for business critical activities across the Group. The assurance map will be updated annually;
- EY, the Group's internal auditor, delivered the annual internal audit plan which consisted of a number of risk areas identified from the risk register. Topics covered in 2019 included IS strategy and Governance, Non-Operated JV Management, CRMS, and Key Financial Controls. The Group has been working through the year to implement any identified improvements; and
- To ensure awareness, understanding and compliance on important governance, regulatory and security topics, mandatory e-learning was also implemented across the Group, which included comprehensive modules on business ethics, anti-bribery and corruption, CMAPP and cyber security.

The following describes the key elements of the Framework and the processes used by the Board during 2019 to review the effectiveness of the system and the approach to be taken in 2020.

1. Strategic Direction

The Company's strategy and business plan are proposed by the SLT and approved by the Board. The Chief Executive is responsible for managing the Company's business and implementing the Company's strategic objectives in consultation with the Board and SLT. The Chief Executive is also responsible for implementing the decisions of the Board and its committees and driving performance measured against the Company's KPIs.

2. Operating Management

The Company operates various regional units covering different countries and assets and with multiple partners on both an operated and non-operated basis. The assets within each region are the principal focus for our regional managers, who are tasked with delivering the strategic objectives for their particular region, with a combination of operational and technical teams as well as functional departments providing support to each of the assets. The implementation of the Cairn Operating Standards supports this process, providing assurance, standards and consistency in the delivery of our strategic objectives.

The Executive Directors continue to be supported by the SLT as well as by the MT and ELT. Further information on these teams and their remit can be found on pages 81 and 82. There are also a number of functional department heads whose roles include providing expert input and challenge to the Company's work programmes, budgets and business plan; and supplying the Directors with full and accurate information with which to make statements on the adequacy of internal control.

The Company refreshes its business plan, work programme and budget on an annual basis in line with its overall strategy. These documents start at asset level before being consolidated at regional and Company levels. The business plan sets out detailed objectives and KPIs for each asset and supporting functional departments, and is consolidated into the Company's strategic planning. After an iterative process, the annual business plan, work programme and associated budget are presented to the Board for approval.

The Asset Management Teams then have the required authority to implement the business plan and to deliver the agreed work programmes within the approved budget and delegations of authority, and in accordance with the internal control framework.

Corporate Governance Statement continued

3. Risk Management

The Board is responsible for maintaining sound risk management and internal control systems across the Cairn Group. The Board must satisfy itself that the significant risks faced by the Group are being managed appropriately and that the system of risk management and internal control is sufficiently robust to respond to internal or external changes in the Group's business environment.

The RMC continues to be responsible for the development of risk management strategy and processes within the Company and for overseeing the implementation of the requirements of this strategy. It does this by ensuring that the framework for the identification, assessment, mitigation and reporting on all areas of risk is fit for purpose and that appropriate assurance arrangements are in place in relation to these risks to bring them within the Risk Appetite Statement approved by the Board.

To supplement the role of the RMC, the Group Risk Management Procedure defines the processes through which Cairn seeks to systematically identify, analyse, assess, treat and monitor the business risks faced by the Group. The Group Risk Management Procedure also identifies the risk management organisational structure through which business risks are managed and regularly reviewed at operating, asset, country and Company levels. Asset-, project-, country-, and functional-level risk registers are used to capture, assess, monitor and review risks before the principal risks are consolidated into the Group risk register.

In 2019, risk management updates were presented at each Board meeting and as part of an annual process, the Board undertook a strategic risk workshop in November 2019 (see page 85).

The RMC, which continues to meet on a quarterly basis, is currently chaired by the Chief Executive and comprises the Executive Directors and senior functional management. The internal auditor also attends RMC meetings, in order to ensure integration of the Group's internal audit plan with the risk management process. Regular MT risk sessions were also held during 2019 to manage and facilitate the assessment and treatment of business risks that may affect the Company's ability to deliver its strategy.

Enhancements to our approach to risk management during 2019 included the following:

- The MT formally conducted a review of the risks, mitigations and actions identified on the Group risk register each quarter to ensure ownership for the risks. Mitigations and actions were clearly assigned and implementation dates for actions were tracked; and
- The RMC reviewed a gross to net risk assessment of principal risks, in order to gain a deeper understanding of high impact risks and identify any areas where there is a reliance on controls and mitigating actions.

The RMC reports on the Company's risk profile to both the Audit Committee and the Board. Additionally, the Audit Committee and the Board receive internal reviews of the effectiveness of internal controls relative to the key risks. The conclusion of the Board following these reviews during 2019 is that the internal controls in respect of key risks are effective.

4. Assurance

The 'three lines of defence' framework adopted by the Board provides three levels of assurance against the risks facing the Company: first of all at the operational level; secondly through overview by functional management and the RMC; and thirdly through internal or joint venture audits.

The integrated internal control and assurance framework document includes a description of the Company's business and assurance models and of its organisation and committee structure and defines the relevant roles and responsibilities. The framework defines the key policies and procedures which govern the way in which Cairn conducts its business and is therefore a core part of its system of internal control.

During 2019, the Directors reviewed the effectiveness of the Company's system of financial and non-financial controls, including operational and compliance controls, risk management and high-level internal control arrangements through the completion of internal control self-assessment questionnaires. These questionnaires, which are tailored to each region or function, are designed to provide an internal assessment of the effectiveness of key controls for the Group's principal risks.

Additionally, assurance maps for principal risks are developed, which outline the key sources of assurance across the 'three lines of defence'. The 'three lines of defence' model is a method of assessing different sources of assurance the Group can rely on when analysing key risks and controls. Assurance is gained through the application of the business management system which directs the day-to-day running of the business (first line), the oversight functions within Cairn which provide challenge to the risk and control environment (second line) and any third party reviews the Group instructs to assess the status of a risk/control (third line). The assurance maps help identify potential areas of control weakness and/or ineffective use of assurance resources across the Group, which influenced the topics included in the 2019 Group internal audit plan.

The Directors derived assurance from the following internal and external controls during 2019:

- A regularly updated schedule of matters specifically reserved for decision by the Board;
- Implementation of the Cairn Operating Standards for key business activities;
- An appropriate organisational culture and structure;
- Control over non-operated joint venture activities through delegated representatives;
- Specific delegations of authority for all financial transactions and other key technical and commercial decisions;
- Segregation of duties where appropriate;
- Business and financial reporting, including KPIs;
- Functional management reviews;
- An annual 'letters of assurance' process, through which asset and functional managers review and confirm the adequacy of internal financial and non-financial controls and their compliance with Company policies, and report any control weaknesses identified in the past year and actions taken in respect of any weaknesses identified in the prior year;
- A 'letter of assurance' from the Chief Executive confirming the adequacy of internal controls within the Company in line with its policy, and reporting of any control weaknesses identified in the past year and actions taken in respect of any weaknesses identified in the prior year;
- An annual internal audit plan, which is approved by the Audit Committee and Board and is driven by risks and key controls;
- Reports from the Audit Committee and RMC;
- Reports from the external auditor on matters identified during its statutory audit;
- Reports from audits by host Governments and co-venturers;
- Independent third party reviews; and
- The skills and experience of the workforce.



Ian Tyler
Chairman



9 March 2020

Audit Committee Report



The Audit Committee Members and meetings in 2019

The Audit Committee's primary responsibilities include the integrity of the Group's Financial Statements, the effectiveness of the Group's risk management and internal assurance processes and related governance and compliance matters.

	Member since	Meetings attended
Keith Lough (Chair)	05/15	
Nicoletta Giadrossi	05/18	
Alison Wood ¹	07/19	
Alexander Berger ²	03/12	

- ¹ Alison Wood was appointed a member of the Audit Committee with effect from 1 July 2019. The number of meetings she attended is stated from this date.
² Alexander Berger retired as a Non-Executive Director on 17 May 2019. The number of meetings he attended is stated up to that date.

Dear Shareholder

Composition and Summary of Audit Committee Meetings During the Year

I served as Chair of the Audit Committee for the duration of the year having been appointed Chair in 2018.

Serving with me on the Audit Committee are two of my fellow Non-Executive Directors, Nicoletta Giadrossi and Alison Wood, who joined the Committee with effect from 1 July 2019. Alison replaces Alexander Berger who stepped down as a Non-Executive Director at the AGM. Both Nicoletta and Alison are considered by the Board to be independent. Ian Tyler also attended meetings in his capacity as Chairman of the Cairn Energy PLC Board but is not a member of the Committee.

The members of the Committee have been chosen to provide the wide range of financial and commercial experience needed to fulfil these duties. Alison and I are qualified accountants with recent and relevant financial experience. Nicoletta brings comprehensive industry knowledge to the Committee.

At our request, the CFO, the Chief Executive (in his capacity as executive responsible for internal audit) and senior members of the finance and risk and compliance departments attend each meeting. Additionally, both internal and external auditors also attend. I also met privately with the external audit partner to discuss matters relevant to the Group throughout the year.

The Audit Committee met four times in 2019, with meetings arranged around the key external reporting dates. The first meeting in March 2019 focused on the 2018 year end external audit process (reported in the 2018 Annual Report and Accounts). Meetings in June and August both centred on the Group's half year reporting and a November meeting focused on planning for the 2019 year end cycle and external audit process and the internal work programme for 2019. Subsequent to the year end, a further meeting was held in March 2020 to conclude the 2019 audit and significant issues.

At each meeting the Committee receives an updated report from the external auditors which either explains their plans and scope for a forthcoming audit or review, or contains the conclusions from that audit or review. The Audit Committee also receives a report on the internal audit process, tracking the progress of internal audits and reviewing their output and recommendations.

The Audit Committee also closely monitors Cairn's risk management system, reviewing the activities of the Group's Risk Management Committee and the Group's risk management project plan with further reviews and challenges of the Group's risk registers and opportunity matrix at each Committee meeting.

Other business covered by the Committee includes the annual approval of corporate assumptions and the annual review of the Group's policy on non-audit services and its Whistleblowing Policy.