



## Audit and Risk Committee Charter

### 1. Purpose

The purpose of the Audit and Risk Committee is to:

- assist the Board in carrying out its responsibility to exercise due care, diligence and skill in relation to the Board's reporting and financial information, application of accounting policies, financial management, internal control systems, business policies and procedures, compliance with applicable laws and regulations, and monitoring and controlling of material business risks;
- provide a formal forum for communication between the Board, auditors and senior executives;
- improve the effectiveness of the external audit function and the communication between the Board and the external auditors and evaluate the need for any internal audit function; and
- oversee the independence of the external auditors.

### 2. Structure

The Audit and Risk Committee shall:

- comprise of at least three members of the Board;
- consist only of non-executive directors;
- consist of a majority of independent directors who satisfy the criteria of independence in section 5 of the Board Charter; and
- be chaired by an independent chair, who is not the chair of the Board.

The Audit and Risk Committee may, with the consent of the majority of the members of the Audit and Risk Committee, invite any non-committee members as appropriate to attend meetings.

Membership of the Audit and Risk Committee shall be reviewed annually.

### 3. Expertise

The members of the Audit and Risk Committee should, between them, have accounting and financial expertise and qualifications and a sufficient understanding of the industry in which the Company operates, to enable them to discharge their responsibilities under this Charter.



#### **4. Secretary**

The Company Secretary shall be appointed Secretary of the Audit and Risk Committee. The Chairman shall draw up an agenda, which shall be circulated by the Secretary prior to each meeting to the members of the Audit and Risk Committee and the external auditor.

#### **5. Meetings**

The quorum necessary for the transaction of business will be two. If only one Audit and Risk Committee member is available through unavoidable circumstances, an additional Board member may be co-opted to the Audit and Risk Committee for the purpose of finalising urgent business.

The Chairman of the Audit and Risk Committee shall not have a second or casting vote.

The Audit and Risk Committee Chairman will call a meeting of the Audit and Risk Committee if so requested by any Audit and Risk Committee member, or by the external auditors.

The external auditor should be given notice of all meetings and have the right to attend and speak. The Board will request that the external auditor attends all AGMs and answers questions from shareholders relevant to its audit.

Meetings shall be held approximately four times per annum, or as often as is required for the Audit and Risk Committee to undertake its role effectively.

Minutes of each meeting held will be taken by the Secretary and included in the papers of the next full Board meeting after each Audit and Risk Committee meeting.

#### **6. Authority and resources**

The Audit and Risk Committee shall have the authority to seek any information it requires from any officer or employee of the Company or its controlled entities and such officers or employees shall be instructed by the Board of the Company to respond to such enquiries. The Audit and Risk Committee is authorised to take such independent professional advice or have access to:

- the Company's auditors (with or without management present); and
- such external resources (including access to external consultants or specialists) as it considers necessary.

The Audit and Risk Committee shall have no executive powers with regard to its findings and recommendations.



## **7. Responsibilities in relation to audit**

### **7.1 Financial reporting and statements**

The Audit and Risk Committee's responsibilities include:

- monitoring the integrity of the financial statements of the Company and ensuring that the Company's financial statements reflect the understanding of the Audit and Risk Committee, and otherwise provide a true and fair view, of the financial position and performance of the Company;
- ensuring that, as required, the Managing Director and CFO have provided a declaration to the Board that:
  - in their opinion, the financial records of the Company have been properly maintained;
  - in their opinion, the financial statements of the Company comply with the appropriate accounting standards;
  - in their opinion, the financial statements give a true and fair view of the financial position and performance of the Company; and
  - their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively;
- reviewing the Company's external reporting procedures, including assessing whether these reporting procedures are consistent with Audit and Risk Committee members' information and knowledge and adequate for shareholder needs;
- assessing the suitability of the Company's financial accounting policies; and
- assessing the management processes supporting external reporting.

### **7.2 Responsibilities in relation to audit**

The Audit and Risk Committee's responsibilities include:

- monitoring and reviewing the performance and objectivity of the Company's external audit function;
- assessing whether the independence of the external audit function has been maintained and, where the external auditor provides non-audit services, assessing whether the provision of these services has compromised the auditor's independence;
- preparing and informing the Board about its policies and procedures for the selection and appointment of the external auditor and the rotation of external audit engagement partners;



- making recommendations to the Board in relation to the appointment, removal and remuneration of the external auditor and the rotation of the audit engagement partner; and
- commissioning and reviewing annual audit reports and responding to any issues raised by the external auditor.

### **7.3 Internal audit function**

The Audit and Risk Committee's responsibilities include:

- providing recommendations to the Board as to the role and resourcing of the internal audit function and how that function is structured;
- reviewing the scope and adequacy of the internal audit work plan;
- considering the objectivity and performance of the internal audit function;
- receiving and considering reports from the head of the internal audit function on the conduct of the internal audit program, including in relation to evaluating management's response to the findings and recommendations arising from the internal audit process; and
- reviewing and approving the appointment and removal of the head of the internal audit function.

### **7.4 Responsibilities in relation to risk**

The Audit and Risk Committee's responsibilities in relation to risk include:

- monitoring compliance by the Company with legal, regulatory and taxation requirements;
- reviewing and monitoring the Company's continuous disclosure policies and procedures;
- monitoring, assessing and making recommendations to the Board at least annually in relation to the Company's business policies and procedures, internal control systems, compliance with applicable laws and regulations, the Company's risk management framework and the effectiveness of the Company's management of its material business risks;
- monitoring, assessing and making recommendations to the Board as to whether the Company has any material exposure to economic, environmental and social sustainability risks and if it does, the effectiveness of the Company's management of those risks;



- monitoring and assessing the Company's cyber security risks and working with Management to enhance the effectiveness of the Company cyber security controls;
- monitoring, assessing and making recommendations to the Board as to the adequacy of the Company's insurance program, having regard to the Company's business and the insurable risks associated with the business;
- working with management to develop the Company's risk profile by reviewing and approving the material business risks and relevant control strategies identified by management and by setting relevant reporting requirements for management in this regard;
- reporting to the Board on the effectiveness of the Company's management and implementation of its risk management and internal control systems;
- reporting to the Board in relation to any incident involving fraud or other break down of the Company's internal controls;
- reporting to the Board as to the results of its annual review of risk management and the Company's internal control and compliance systems, and whether the Company is operating within the risk appetite as set by the Board; and
- assessing the propriety of and approving all related-party transactions.

## **8. Reporting**

The Chairman of the Audit and Risk Committee should report to the Board and, as appropriate, make recommendations to the Board after each Audit and Risk Committee meeting.

The Board requests attendance of the Chairman of the Audit and Risk Committee at each AGM to be available to answer shareholder questions about the business of the Audit and Risk Committee.

## **9. Performance review**

The Board will assess the performance of the Audit and Risk Committee on an annual basis. The Board will also review the membership and charter of this Audit and Risk Committee on an annual basis to ensure it remains consistent with the Board's objectives and responsibilities, and that the Company is operating within the risk appetite set by the Board.

## **10. Procedure for the selection, appointment and rotation of external auditor**

The procedure for the selection and appointment of the external auditor and the rotation of external audit engagement partners is contained in Appendix I to this Board Charter.