

# Audit and Risk Committee Charter

## Introduction

The Audit and Risk Committee oversees and monitors the Company's audit processes including the internal control activities.

## Composition

The Audit and Risk Committee is a committee of the Board.

All appointments to the Committee and the appointment of the chair shall be approved by the Board.

The Audit and Risk Committee shall be structured so that it has at least three members of the Board. Each Audit and Risk Committee member will be financially literate and a majority independent. At least one member of the Audit and Risk Committee will have relevant qualifications and experience (qualified accountant holding a current accounting qualification, CPA or CA).

The chairman will be elected by the Audit and Risk Committee and must be non-executive and not be Chairman of the Board.

## Roles and Responsibilities

The role of the Audit and Risk Committee includes assisting the Board with the Company's governance and exercising of due care, diligence and skill in relation to:

- reporting financial information to users of financial reports;
- application of accounting policies;
- financial management;
- the internal control system;
- the risk management system;
- the performance management system;
- business policies and practices;
- protection of the company's assets;
- compliance with applicable laws, regulations, standards and best practice guidelines.

Other Audit and Risk Committee objectives include:

- improving the credibility and objectivity of the accountability process, including financial reporting;

- overseeing the effectiveness of internal and external audit functions and providing a forum for communication between the board and internal and external auditors;
- ensuring the independence of the external auditor;
- providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor;
- assuring the quality of internal and external reporting of financial and non-financial information;
- ensuring an ethical culture is embedded throughout the Company;
- oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate);
- review the Company's risk management framework at least annually to satisfy itself that it continues to be sound; and
- review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

## Reporting to the Board

The Audit and Risk Committee is to report to the Board on a bi-annual basis on the following matters:

- (a) assessment of whether external reporting is consistent with committee members information and knowledge and is adequate for shareholders' needs;
- (b) assessment of the management processes supporting external reporting;
- (c) recommendations for amending the Company's procedures for the selection and appointment of the external auditor and procedures for the rotation of external audit engagement partners;
- (d) recommendations for the appointment or, if necessary the removal of the external auditor;
- (e) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Audit and Risk Committee is satisfied that the provision of the services has not compromised the auditor's independence;
- (f) the results of the Audit and Risk Committee's review of risk management and internal control systems.

The chair of the Audit and Risk Committee in conjunction with the external auditor is to be present at the Annual General Meeting to answer questions through the Chair of the Board.

## Relationship with External Auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or Annual Reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial year and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.
- (k) Ensure that the external auditor attends the Company's Annual General Meeting and is available to answer questions from security holders relevant to the audit.

## Reliance on Information or Professional or Expert Advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Company group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Company group in relation to matters within the Director's or officer's authority.

## Access to Advice

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without

management being present.

- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## Meetings

The Audit and Risk Committee will meet at three times annually, with other meetings on an as required basis.

A quorum will be the smallest number great than half the members.

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.

If the chair is absent members who are present will select a chair for that particular meeting.

Meetings of the Audit and Risk Committee may be held face to face or using any technology which enables members to participate in a discussion.

The notice and agenda of meetings will include relevant supporting papers.

The Audit and Risk Committee may invite other people to attend as it sees fit and consult with other people or seek any information which will help it to fulfil its responsibilities.

The chair will communicate the decisions of the Audit and Risk Committee to the Board after each meeting within a reasonable period.

## Secretariat Duties

The Company Secretary or other delegated person undertakes the duties of secretariat.

Proceedings of all meetings are minuted, ratified by members in attendance and signed by the Committee chair. Minutes of Audit and Risk Committee meetings will be tabled at the subsequent meeting of the full Board.

## Voting

Matters will generally be decided by consensus or, if a consensus can't be reached, by a majority of votes from the members present.

## Authority of the Committee

The Committee has the authority to: -

- a) obtain independent professional or other advice in the fulfilment of its duties at the Company's cost; and
- b) obtain such resources and information from the Company in the fulfilment of its duties as it may reasonably require.

## Review of Committee Performance

The Committee will annually revisit its objectives and duties and evaluate the effectiveness of its performance.

## Review of Charter

The Audit and Risk Committee will review the Audit and Risk Committee Charter at least annually and update it as required.

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Revision 0

Approved By: Board

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