

# AUDIT AND RISK COMMITTEE CHARTER

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## 1. COMPOSITION

The full Board carries out the functions that would ordinarily be carried out by an Audit and Risk Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Audit & Risk Committee in this Charter shall be read to mean the Board convening in its capacity as the Audit & Risk Committee under this Charter.

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## 2. ROLE

The role of the Audit & Risk Committee is to:

- (a) review and monitor the integrity of the financial reports and statements of the Company;
  - (b) review and oversee the Company's risk management framework and internal controls;
  - (c) monitor and review the effectiveness of the Company's internal audit function to the extent there is one;
  - (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
  - (e) perform such other functions as assigned by law, the Company's constitution, or the Board if applicable.
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## 3. OPERATIONS

The Audit & Risk Committee will meet as often as it considers necessary and at least half yearly.

Minutes of all meetings of the Audit & Risk Committee are to be kept.

Audit & Risk Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

Relevant members of management and the external auditor may be invited to attend meetings.

The Audit & Risk Committee shall meet with the external auditor without management present, as required.

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## 4. AUTHORITY AND RESOURCES

The Company is to provide the Audit & Risk Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Audit & Risk Committee.

The Audit & Risk Committee:

- (a) will have the power to conduct or authorise investigations into any matters within the Audit & Risk Committee's scope of responsibilities;
- (b) may seek any information or advice it considers necessary to fulfill its responsibilities;
- (c) may have access to management and external auditors (without management being present) to seek explanations and information; and
- (d) will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

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## **5. RESPONSIBILITIES OF THE AUDIT & RISK COMMITTEE**

The Audit & Risk Committee will perform the functions listed below:

### **5.1 Financial reporting**

- (a) Review half-year and annual financial statements as to whether they provide a true and fair view of the financial position and performance of the entity.
- (b) Consider management's selection of accounting policies and principles.
- (c) Consider the external audit of the financial statements and the related external Auditor's Report.
- (d) Ensure that:
  - (i) the Managing Director or Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) are able to make the declarations in relation to the Company's financial reports required by s 295A of the *Corporations Act 2001* (Cth) and the *ASX Corporate Governance Principles and Recommendations* (3<sup>rd</sup> edition); and
  - (ii) these declarations are made and given to the Board by the time required.

### **5.2 External Audit**

- (a) Establish and review the criteria for the selection, appointment and rotation of the external auditor.
- (b) Appoint and replace the external auditor and approve the terms on which the external auditor is engaged.
- (c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
- (d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.
- (e) Ensure that the external auditor is required to attend the AGM of the Company and is available to answer questions relevant to the audit from shareholders.
- (f) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
- (g) Discuss any significant findings and recommendations of the external auditor and management's response to them.
- (h) Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information.

### **5.3 Risk management and internal control**

- (a) Monitor and assess the risk exposure of the Company for regulatory, systems and information technology, business and operational, economic, environmental and social sustainability risks through effective risk management strategies.
- (b) Oversee the design of a risk management framework.
- (c) Conduct a comprehensive review and make recommendations to the Board on any incident involving fraud or other break down of the Company's internal controls.
- (d) Review the adequacy of the Company's insurance programs.

### **5.4 Internal Communications and Reporting**

- (a) Provide an annual report that includes the Audit & Risk Committee's review and discussion of matters with management, the external auditor and internal auditor.
- (b) Regularly update the Board about Audit & Risk Committee activities and make appropriate recommendations.
- (c) Ensure the Board is fully aware of matters which may significantly impact upon the financial conditions or affairs of the business.

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**6. REVIEW**

This Audit & Risk Committee Charter shall be reviewed by the Audit & Risk Committee at least annually, and updated as required.