



AUDIT AND RISK COMMITTEE CHARTER

1. PURPOSE OF THE COMMITTEE

1.1. Oversight Responsibility

The role of the Audit and Risk Committee (**Committee**) is to assist the Board of Directors (**Board**) to meet its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal controls, risk management, and internal and external audit functions.

In fulfilling this role, the Committee is responsible for maintaining free and open communication between the Board, the Committee, management and the internal and external auditors.

1.2. Exercise of Powers

The Committee must exercise the powers delegated to it in accordance with any directions of the Board.

The Committee may exercise its powers by resolution passed at a Committee or by a resolution in writing signed by a majority of Committee Members.

2. ROLE AND RESPONSIBILITIES

The Committee's specific role and responsibilities include the following:

2.1 Financial Reporting:

- (a) Review the half year and full year financial statements presented by management, together with the reports and opinions from external auditors.
- (b) Review and assess the Company's accounting policies and principles, and make recommendations to the Board regarding any major changes to accounting policies or procedures.
- (c) Review and assess any significant estimates and judgments in the Company's financial reports, and consider whether the policy or method used is appropriate.
- (d) Review the process implemented to support the certifications to be provided by the Chief Executive Officer and the Chief Financial Officer as to the truth and fairness of the Company's financial reports and that those reports are based on a sound system of risk management and internal compliance and control so far as they relate to financial reports.



- (e) Make appropriate recommendations to the Board as to whether the financial statements should be approved.

2.2 External Audit

- (a) Make recommendations to the Board on the appointment, reappointment or replacement of the external auditor.
- (b) Review and approve the terms of engagement and remuneration for the external auditors.
- (c) Review and approve the scope of the external auditor's engagement, including risk areas, any additional agreed-upon procedures and the external audit plans.
- (d) Monitor the performance, effectiveness and independence of the external auditor.
- (e) Assess whether the non-audit services provided to the Company by its external auditor or any other relationship between the Company and its external auditor impacts on the independence and objectivity of the external auditor or the quality of the audit services provided to the Company by the external auditor.

2.3 Internal Audit

- (a) Approve the appointment of the internal audit function.
- (b) Review and approve the internal audit charter and annual internal audit programme for the internal audit function.
- (c) Review the internal auditor's reports on significant findings and recommendations on internal controls.

2.4 Risk Management

- (a) Review, and approve for recommendation to the Board, guidelines and policies for management of material risks.
- (b) Review, monitor and report to the Board on the effectiveness of the Company's risk management system, including the processes adopted by management to implement the Risk Management Policy approved by the board.
- (c) Review annually the Company's insurance programmes.

2.5 Corporate Governance

- (a) Review the reporting of the Company's main corporate governance practices as required under the Australian Securities Exchange Listing Rules.



- (b) Approve the Company's internal policy on the delegation of authority, which sets out matters reserved to the Board and delegated to management.
- (c) Review and monitor the propriety of related-party transactions.
- (d) Oversee matters reported under the Company's Whistleblower Policy, including possible fraud or conduct that is in breach of the Company's Anti-Bribery and Code of Conduct Policies, or other material irregularities coming to the attention of management.

2.6 Treasury Management

- (a) Approve the Company's Treasury Management Policy and any modifications to the policy required to meet ongoing business needs.
- (b) Receive and review from management a report (at least annually) on compliance to the policy.

2.7 Other

- (a) Review annually compliance with the Company's Deed of Cross Guarantee.
- (b) Perform any other duty or undertaking that the Board may request from time to time.

3. AUTHORITY, ACCESS TO INFORMATION & INDEPENDENT ADVICE

- (a) The 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 employing them to respond to such enquiries.
- (b) The Committee shall have the authority to access and meet with the external auditors and internal auditors without management present.
- (c) The Committee may invite any executive director, executive, other staff member or external or internal auditor to attend all or part of a meeting of the Committee.
- (d) The Committee may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities.
- (e) The Committee may initiate special investigations, as it sees fit, or as directed by the Board.

4. MEMBERSHIP OF COMMITTEE

4.1 Membership



The Chair and Members of the Committee will be appointed by the Board. Members of the Committee may be appointed for specified terms.

The Committee will include at least three (3) members, all of who will be:

- (a) Non-Executive Directors.
- (b) Independent, as determined by the Board.
- (c) Able to understand and read financial statements.

4.2 Expertise

In appointing the members to the Committee, the Board will have regard to the following:

- (a) The Committee Chair must not be the Chairman of the Board.
- (b) At least one Director should have relevant financial qualifications and experience.
- (c) At least one Director should have an understanding of the industry in which the company operates.

4.3 Committee Review

The membership of the Committee will be reviewed annually.

The Committee will assess its effectiveness periodically and report on its findings to the Board. The Committee will also participate in a formal review every two years, as part of the Board and Committee review process.

The Committee will regularly review the Charter to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations, and meet the needs of the Company and the Committee.

5. MEETINGS

5.1 Holding of Meetings

- (a) The Committee will meet as often as the members deem necessary in order to fulfil their role. It is intended that the Committee meet a minimum of four times per year including prior to the announcement of each of the Company's annual and half-yearly financial statements.
- (b) The Committee Chairman will call a meeting of the Audit & Risk Committee if so requested by any Committee member, or the external auditors.



- (c) The internal and external auditors are given notice of all Committee meetings and have the right to attend and speak at Committee meetings.
- (d) Any directors of the Board who are not Committee members are entitled to attend Committee meetings and receive copies of Committee papers.
- (e) Any Committee member may call a meeting of the Committee.
- (f) A quorum of the Committee is two members.

5.2 Committee Papers

The Committee Chair in conjunction with the Committee Secretary and the CFO, will settle agendas and papers and arrange meetings of the Committee.

All Directors are entitled to receive a copy of all papers presented to the Committee.

5.3 Committee Secretary

The Committee Secretary is responsible for distribution of meeting notices, agendas and Committee papers to members prior to each Committee meeting.

6. REPORTING TO BOARD

- (a) The Chairman of the Committee shall report to the Board after each Committee meeting on the proceedings of the Committee and all matters relevant to the role and responsibilities of the Committee.
- (b) The minutes of all Committee meetings shall be circulated to members of the Board.
- (c) The Committee shall have no executive powers with regard to its findings and recommendations.

Revised by the RCR Tomlinson Board on 20 June 2017