

# MA Audit and Risk Committee Charter

December 2022

The background of the page is a solid blue color. Two white, curved lines originate from the bottom left corner and sweep upwards and to the right, creating a sense of movement and design. The lines are smooth and have a consistent thickness.

## 1. Membership of the Committee

The Committee must consist of:

- an independent chair;
- only of Non-Executive Directors of the Board and
- comprise a majority of independent non-executive Directors of the Board.

The Board may appoint, remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Directors of the Board that are not members of the Committee, receive a standing invitation to attend all Committee Meetings.

Management and the external advisors may attend meetings of the Committee at the invitation of the Committee chair.

It is intended that all members of the Committee should be financially literate and have familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.

At least one member should have relevant formal qualifications and experience (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).

The Company Secretary must attend all Committee meetings as minute secretary.

## 2. Role and Responsibilities

### 2.1. Overview

The Committee's key responsibilities and functions are to:

- a) oversee the Company's relationship with the external auditor and the external audit function generally;
- b) oversee the Company's relationship with the internal auditor and the internal audit function generally where such function is in place;
- c) oversee the preparation of the financial statements and reports;
- d) oversee the Company's financial controls and systems; and
- e) manage the process of identification and management of risk.

### 2.2. Audit role and responsibilities

The Committee's primary roles in relation to audit are to review and make recommendations to the Board in relation to:

- the reporting of financial information;
- the appropriate application and amendment of accounting policies; and
- the appointment, independence and remuneration of the external auditor.

The Committee also provides a link between the external auditors, the Board and management of the Company.

In discharging these roles, the Committee will:

- a) Review the Company's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.
- b) Review the Company's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company, as a basis for recommendation to and adoption by the Board.
- c) Receive and review reports of the external audit of the Company's financial statements.
- d) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Company's financial reports.
- e) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- f) Ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.
- g) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.

- h) Review the effectiveness of the annual external audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.
- i) Review and make recommendations to the Board in relation to the appropriate timing of the establishment of an internal audit capability.
- j) Once an internal audit capability is established, review the scope, results, adequacy and effectiveness of any internal audit programs and the performance and objectivity of the internal audit function, including whether the internal auditors are adequately resourced and co-ordinated with the external auditor. Monitor the independence of the internal audit programs from the external auditors and management. Review the outcomes and approve the internal audit program.
- k) Review the performance, independence and objectivity of the external auditors.
- l) Review the procedures for selection and appointment of the external auditors and for the rotation of external audit engagement partners.
- m) Assume responsibility for the appointment, compensation, the terms of engagement and other contractual terms of the external auditors.
- n) Develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non audit services and ensure compliance with that policy.
- o) Provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's annual report.
- b) adequate policies and processes have been designed and implemented to manage identified risks;
- c) a program of review is undertaken to test the adequacy of and compliance with policies;
- d) proper remedial action is undertaken to redress areas of weakness.

The following are intended to form part of the normal procedures for the Committee's risk and compliance responsibilities:

- Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.
- At least annually, evaluating and making recommendations to the Board in relation to the structure and adequacy of the Group's insurance program having regard to the Group's business and the insurable risks associated with its business.
- Reviewing and making recommendations to the Board on the effectiveness of the Group's risk management policies and the risk appetite that is appropriate for the Company through review of risk registers, reports from management and if applicable, external auditors.
- Reviewing and making recommendations to the Board in relation to the risk disclosures in the Company's annual report.
- Evaluating the Group's exposure to fraud, overseeing investigations of allegations of fraud or malfeasance and making recommendations to the Board in relation to any incident involving fraud or other break down of the entity's internal controls.
- Reviewing the Group's main corporate governance practices for completeness and accuracy.
- Reviewing the procedures that the Company has in place to ensure compliance with laws and regulations.
- Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements).

### 2.3. Risk management and compliance role and responsibilities

The Committee's primary roles with respect to risk management and compliance are to review and report to the Board that:

- a) the Committee has, at least annually, reviewed the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;

- Reviewing the Company's policies with respect to the establishment and observance of appropriate ethical standards.
- Review the appropriateness of and compliance with the Company's Tax Governance Framework.
- Reviewing and discussing with management and the external auditors the overall adequacy and effectiveness of the Company's regulatory and ethical compliance programs.

### 3. Relationship with the external auditor

The Committee provides a link between the external auditor and the Board and has the responsibility and authority for the appointment and removal of the external auditor and to review the terms of its engagement.

The Committee is responsible for overseeing the *Company's External Auditor Appointment Policy*.

### 4. Relationship with the internal audit

The Committee provides a link between the Board and any internal audit or other assurance activities that may be undertaken for the Company .

The Committee will have the responsibility of:

- e) reviewing any internal audit/assurance objectives and ensure an appropriate program is conducted each financial year;
- f) reviewing and monitoring the progress of the work program (without the presence of management);
- g) overseeing the coordination of the internal/assurance activities and external audit; and
- h) evaluating and critiquing management's responsiveness to internal audit/assurance findings and recommendations.

### 5. Rights of access and authority

The Committee has rights of access to management and to auditors (external and internal) without management present, and rights to seek explanations and additional information from both management and auditors. Once established, the internal audit function will report to senior management, however it is acknowledged that the internal auditors will also report directly to the Committee.

### 6. Review

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

### 7. Administrative matters and procedures

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

## Attachment 1

### Administrative matters and procedures

#### Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least quarterly.

#### Quorum

The quorum is at least 2 members.

#### Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

#### Rights of access and authority

The Committee may seek the advice of the Company's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

#### Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any director.

#### Reporting

It is intended that a report of the actions of the Committee and a copy of the minutes of the Committee meeting or both will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

