



AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

1. Purpose

1.1 The purpose of the Audit and Risk Committee is to advise the Board in relation to:

- 1.1.1 the adequacy of the Company's corporate reporting processes, internal controls, risk management system and regulatory compliance;
- 1.1.2 ensuring the Company's financial statements provide a true and fair view of the financial position and performance of the Company;
- 1.1.3 the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements;
- 1.1.4 the independent audit process, including recommending the appointment and assessing the performance of the external auditor;
- 1.1.5 the Company's process for monitoring compliance with laws, regulations, internal standards, policies and expectations of key stakeholders, including customers, employees and society as a whole.

2. Authority

- 2.1 The Committee is an advisory committee of the Board, from which it derives its authority, and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference. It must circulate its minutes to the Board as soon as practicable after each meeting, ideally alongside its recommendations.
- 2.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any officer or employee of the Company.

3. Membership

- 3.1 The Committee will have at least three members, each of sufficient independence and expertise to enable the Committee to conduct its duties effectively.
- 3.2 The Committee members and the Chair will be appointed by the Board.
- 3.3 The Committee Chair does not have a casting vote.
- 3.4 The Committee will invite senior executives of the Company to meetings when requiring input relating to its duties.

3.5 In connection with its duties, the Committee is empowered to select, set the terms of reference and appoint such consultants or other advisers as the Committee consider necessary or appropriate, at the Company's expense. Board approval is required for any expense exceeding \$5,000.

4. Duration of appointments

4.1 Unless otherwise determined by the Board, the duration of appointments of members of the Committee (including the Chair) will be for a period of up to three years, however this period may be extended by the Board for an additional period of two years.

5. Removal or Resignation

5.1 A member may at any time resign from the Committee.

5.2 The Board may remove a member of the Committee.

6. Meetings

6.1 The Committee will meet as frequently as required but not less than twice a year.

6.2 The Chair is required to call a meeting of the Committee when requested to do so by the Board, a Committee member, the Chief Executive Officer or the Company Secretary.

6.3 The Committee may participate in a meeting by means of any technology that gives the members a reasonable opportunity to participate.

7. Secretary

7.1 The Secretary of the Committee will be the Company Secretary.

7.2 The Secretary of the Committee will be responsible, in conjunction with the Chair of the Committee, for determining the agenda for each meeting.

8. Minutes of Meetings

8.1 The Secretary of the Committee will be responsible for keeping and circulating the minutes of Committee meetings.

8.2 Minutes, agenda and supporting papers will be made available to any Director upon request to the Secretary, providing no conflict of interest exists.

9. Quorum and Resolutions

9.1 A quorum will comprise any two Committee members.

9.2 Should the Chair be absent from any meeting, and there are at least two members still present, the members of the Committee present will appoint one of their number to be Chair of that meeting.

9.3 The Committee may pass resolutions by circular resolution.

9.4 Recommendations are determined on a majority of votes of those present and entitled to vote. Any member has one vote. There is no deadlock mechanism; in the event of a tied vote, both recommendations must be presented to the Board.

10. Assessment and Evaluation of the Committee

10.1 The Board will regularly evaluate the effectiveness of the Committee, including conducting a performance evaluation of the Committee against the requirements of the Committee Terms of Reference every two years.

11. Review of Terms of Reference

11.1 The Committee will review its Terms of Reference annually, when it is required to do so by the Board, or when it sees fit to do so.

11.2 If the Committee considers that changes are required to the Terms of Reference, it will make appropriate recommendations to the Board.

12. Confidentiality

12.1 Committee members will receive or have access to confidential, sensitive and personal information. They acknowledge they must only use or disclose such information to the extent necessary to satisfy their duties and responsibilities.

12.2 If there is uncertainty as to whether any information is confidential, such information is deemed confidential and not within the public domain.

12.3 Committee members must safeguard the confidentiality of any information received by adopting and maintaining reasonable precautions.

12.4 Committee members must not make any press or other announcements or releases in connection with any deliberations, outcomes or decisions of the Committee.

13. Conflicts of Interest

13.1 Committee members must not place themselves in a position of conflict of interest whereby their obligations to satisfy their duties and responsibilities are compromised, potentially compromised or perceived to be compromised.

13.2 No individual may use their position, their authority or any information received to obtain an advantage for themselves or detriment for others.

13.3 Committee members must comply with the Company's *Conflict of Interest Policy*.

13.4 Committee members warrant they have no undeclared actual, potential or perceived conflicts of interest, and undertake to promptly notify any future conflicts of interest to the Chair as soon as they become apparent.

13.5 Committee members must not compromise their professional judgment because of bias, conflict of interest or the undue influence of others. In such circumstances, they must not continue performing their duties and promptly notify the Chair and the Company as appropriate.

14. Financial reporting and audit

14.1 The Committee will:

14.1.1 review the Company's accounting policies, including the delegation of financial authority and financial statements prior to such being referred to the Board;

14.1.2 review significant financial and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent professional and regulatory announcements and understand their effect on the financial report;

14.1.3 review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements;

- 14.1.4 review with management and the external auditors the results of the audit, including any difficulties encountered;
- 14.1.5 review the annual financial report;
- 14.1.6 assess significant estimates and judgements in financial reports;
- 14.1.7 review with management and the external auditors all matters required to be communicated to the audit committee under the Australian Auditing Standards;
- 14.1.8 consider the appropriateness of the accounting principles and policies adopted and any amendments, and consider the methods of applying those principles and policies to ensure they are in accordance with the stated financial reporting framework;
- 14.1.9 recommend to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them;
- 14.1.10 be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditor;
- 14.1.11 approve all audit engagement fees and terms as well as reviewing policies for the provision of non-audit services by the external auditor (and, when required, the framework for pre-approval of such services).

15. Internal control and risk management

15.1 The Committee will:

- 15.1.1 assess the internal processes for determining and managing key risk areas, particularly: compliance with laws, regulations, standards and best practice guidelines; important judgments and accounting estimates; litigation and claims; fraud and theft; relevant business risks other than those dealt with by other specific board committees;
- 15.1.2 ensure that the Company has an effective risk management system and that significant or material risks are reported to the Board;
- 15.1.3 address the effectiveness of the internal control, risk management and performance management systems with management and the auditors;
- 15.1.4 assess the effectiveness of, and compliance with, the codes of ethical conduct and compliance with internal plans, policies and procedures;
- 15.1.5 obtain regular updates from management and Company legal advisers about compliance matters.

16. Cyber resilience

- 16.1 The Committee will monitor the framework for identifying, mitigating and managing the Company's cyber resilience and consider the effectiveness of the Company's cyber resilience risk control systems.

17. Privacy

- 17.1 The Committee will oversee privacy protection, reporting policy and processes prepared by Management.

18. Insurance program

- 18.1 The Committee will review the Company's insurance program at least annually having regard to the Company's business and the insurable risks associated with the Company's business.

19. Other responsibilities

- 19.1 The Committee will perform other functions as requested by the Board.
- 19.2 The duties and responsibilities of a member of the Committee who is also a member of the Board are in addition to those duties undertaken as a member of the Board.

19.3 Despite anything in these Terms of Reference, the Committee must ensure compliance with all applicable Constitutional, regulatory or legal requirements associated with financial, audit and risk matters.