

AUDIT AND RISK COMMITTEE CHARTER



1. Role

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority, and responsibilities.

2. Membership

- (a) The Committee must comprise at least three members.
- (b) Where possible, all members of the Committee must be non-executive Directors.
 - (i) Where practicable, a majority of the members of the Committee must be independent in accordance with the criteria set out in Annexure A.
 - (ii) The Board will appoint members of the Committee and may remove and replace members of the Committee by resolution.
 - (iii) All members of the Committee must be financially literate, with at least one member, where possible, possessing accounting or related financial expertise and qualifications.
 - (iv) The Chair of the Committee may not be the Chair of the Board of Directors and must be independent.
 - (v) The Chair shall have leadership experience and a strong finance, accounting, or business background.
 - (vi) Any Director who is not a member of the Committee may attend Committee meetings.
 - (vii) The external auditors, other Directors, the Managing Director (or equivalent), Chief Financial Officer, Company Secretary, and senior executives, may be invited to Committee meetings at the discretion of the Committee.

3. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations, and Company policy;
- (c) the effectiveness and adequacy of internal control processes;

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- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. Duties and Responsibilities of the Committee

4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Review the impact of any proposed changes in accounting policies on the financial statements.
- (f) Review the quarterly, half yearly and annual financial results.

4.2 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 the 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.

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- (f) Meet with the external auditors at least twice in each financial period without management being present 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.

4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.

4.4 Risk Management

- (a) 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.
 - (i) Review at least annually the Company's risk management framework and internal control system and report to the Board on its efficiency and effectiveness;
 - (ii) Monitor management's performance against the risk management framework, including whether it is operating within the risk appetite set by the Board;
 - (iii) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures and make recommendations to Board in relation to changes that should be made to the Company's risk management framework or the risk appetite set by the Board;

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- (iv) Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- (v) Review any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned".
- (b) Develop and maintain a risk register which identifies the business risks to the Company and its operations (including economic, environmental, and social sustainability risks) and assess the likelihood of their occurrence;
- (c) Review the insurance strategy and determine the extent to which it aligns with the risk profile of the Company.

4.5 Other

- (a) Oversee treasury and tax management practices.
- (b) Oversee the Company's environmental risk management and occupational health and safety processes.
- (c) Oversee procedures for whistle-blower protection.
- (d) Monitor related party transactions.

5. Meetings

- (a) The Committee will meet at least two times yearly and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- (c) Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals and recommendations can be implemented by circular resolution.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chair of the Committee, the members shall elect one of their members as Chair of that meeting.
- (e) Decisions will be based on a majority of votes, with the Chair having a casting vote.
- (f) The Committee Chair will report on the actions of the Committee to the Board papers at the next Board meeting.
- (g) Minutes of each Committee meeting are to be included for information in the papers for the next full Board meeting after each Committee meeting.

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6. Secretary

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. 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 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 Group in relation to matters within the Director's or officer's authority.

8. 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 Chair. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9. Review of Committee Membership and Charter

- (a) The Board will conduct an annual review of the membership of the Committee and this Charter to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.

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- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

10. Report to the Board

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.

1. Definition of Independence

A Director should only be characterised and described as independent if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issue before the Board and to act in the best interests of the entity and its security holders generally.

Examples of interests, positions, associations, and relationships that might cause doubts about the independence of a Director include if the Director:

- (a) is, or has been in the previous three years, employed in an executive capacity by the Company or another group member;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or another group member, or an officer of, or otherwise associated with someone with such a relationship;
- (d) is, represents, or is or has within the last three years an officer or employee of, or professional adviser to, a substantial security holder of the Company;
- (e) has close family ties with any person who falls within any of the categories described above; or
- (f) has been a Director of the Company for such a period that his or her independence may have been compromised.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.