

# AGUIA

## Audit and Risk Committee Charter

### 1. OVERVIEW

The Audit and Risk Committee (**Committee**) is a committee of the Board.

The Audit and Risk Committee Charter (**Charter**) sets out the role, responsibilities, composition, authority and membership requirements of the Committee.

### 2. MEMBERSHIP

The Committee will consist of at least three members, of whom the majority must be non-executive independent directors. The Chair of the Committee is nominated by the Board. The Chair of the Board is not eligible to be the Chair of the Committee.

Where there are not three or more non-executive directors of the Company, the Board may appoint executive directors to the Committee.

Each member of the Committee is to be financially literate. Between them, the members of the Committee are to have accounting or related financial expertise, technical knowledge and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.

### 3. MEETINGS

The Committee will meet as required but must hold a meeting in the two-month period prior to the release of the Company's half and full year financial results.

The Committee may invite other persons, including Board members, executives or external advisors to attend meetings, if the Chair considers it is appropriate. The quorum for a meeting shall be two members, at least one of whom must be an independent director. Each member of the Committee will have one vote, and the Chair will not have a casting vote.

### 4. SECRETARY

The Company Secretary will act as Secretary of the Committee and will attend all Committee meetings.

### 5. DUTIES AND RESPONSIBILITIES

The Committee's key responsibilities and functions are to assist the Board in discharging its responsibilities, which includes but is not limited to:

- (a) to oversee the establishment of and approving the Company's risk management framework (for both financial and non-financial risks) including its strategy, policies, procedures and systems;
- (b) to review at least annually and monitor the effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- (c) to review and recommend Board approval of the Company's financial statements and reports which includes:

- 
- i. reviewing the appropriateness of the Company's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
  - ii. assessing significant estimates and judgements in financial reports;
  - iii. assessing information from the external auditor to ensure the quality of financial reports; and
  - iv. recommending to the Board whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them;
- (d) in relation to the entry into, approval or disclosure of related party transactions (if any);
- (e) in overseeing the Company's financial controls and systems;
- (f) in relation to the Company's auditor, the appointment and removal of the external auditor, rotation of audit partner, fees payable to the auditor for audit and non-audit work, the scope and adequacy of the external audit and independence and performance of the external auditor;
- (g) to consider whether an internal audit function is required and, if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes; and
- (h) ensuring that management confirms the process taken to verify the integrity of the content of any periodic corporate report the Company releases to the market that has not been subject to audit or review by an external auditor, enabling disclosure of the process as required.

## **6. REPORTING**

The Chair of the Committee must report the findings and recommendations of the Committee to the next Board meeting, subsequent to each meeting of the Committee. The minutes of all Committee meetings will be circulated to the Board by the Company Secretary.

## **7. ATTENDANCE AT MEETINGS**

Other directors (executive and non-executive) have a right of attendance at meetings. However, no director is entitled to attend that part of a meeting at which an act or omission of that director or a contract, arrangement or undertaking involving or potentially involving that director or a related party of that director is being investigated or discussed.

Notwithstanding this, if in the opinion of the Committee, its investigation or discussion will be assisted by hearing from the interested director, the Committee may invite that director to address the Committee. The Committee will give fair consideration to that address. The director will not, however, be invited to take part in the deliberations following that address.

The Committee may invite other persons, including Board members, executives or external advisors to attend meetings, if the Chair considers it is appropriate.

## **8. ACCESS**

The Committee shall have unlimited access to the external and internal auditors, and to senior management of the Company and any subsidiary. The Committee shall also have the ability and authority

to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees shall be instructed by the Board to co-operate fully in provision of such information.

The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **9. REVIEW & AVAILABILITY OF CHARTER**

The Committee and the Board shall review the Charter periodically to ensure its relevance, effectiveness and consistency with best practice.

This Charter will be made readily accessible on the Company's website.

## **10 PROCEEDINGS OF THE COMMITTEE**

The provisions of the Company's Constitution which govern proceedings of committee meetings are deemed to be incorporated into this Charter. Where there is a conflict between this Charter and the Constitution, the Constitution will prevail.

**Date of approval: 26 November 2019**