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# Audit and Risk Committee Charter

Altamin Limited ABN 63 078 510 988 (Company)

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## 1 Composition

The full Board performs the function of an Audit and Risk Committee.

All members of the Audit and Risk Committee must be financially literate (that is, be able to read and understand financial statements); at least one member must have relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters); and some members should have an understanding of the industry in which the Company operates.

From time to time, non Board members may be invited to attend Board meetings when audit matters are being discussed, if it is considered appropriate.

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## 2 Role

The Board's role as an Audit and Risk Committee is to review and make recommendations to the Board in relation to:

- (a) the adequacy of the Company's corporate reporting processes;
- (b) whether the Company's financial statements reflect the understanding of the Board, and otherwise provide a true and fair view of, the financial position and performance of the Company;
- (c) the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's financial statements;
- (d) the appointment or removal of the external auditor, the rotation of the audit engagement partner, the scope and adequacy of the external audit, the independence and performance of the external auditor and any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
- (e) the Company's internal financial control system and, unless expressly addressed by a separate risk committee, oversee the Company's risk management framework;
- (f) compliance with the Company's *Code of Conduct* and *Whistleblower Policy*; and
- (g) if the Company has an internal audit function:
  - (i) the appointment or removal of the head of internal audit;
  - (ii) the scope and adequacy of the internal audit work plan; and
  - (iii) the objectivity and performance of the internal audit function;
- (h) the adequacy of the Company's processes for managing risk;
- (i) any incident involving fraud or other break down of the Company's internal controls;
- (j) the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business; and

- (k) perform such other functions as assigned by law or the Company's *Constitution*.

Ultimate responsibility for a Company's financial statements and the Company's risk management framework rests with the full Board.

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### 3 Operations

The full Board shall meet in its capacity as an Audit and Risk Committee at least half yearly, with further meetings on an as required basis. Minutes of all such meetings must be kept and the meetings are to be governed by the same rules as set out in the Company's *Constitution*, as they apply to meetings of the Board.

A separate independent Chair, other than the chair of the Board, may be elected to chair the meeting when the Board meets as the Audit and Risk Committee.

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### 4 Responsibilities

Annual responsibilities of the Board's function as the Audit and Risk Committee are as set out in the *Audit and Risk Committee Charter – annual action points* (attached).

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### 5 Authority and resources

The Board may seek provision of educational information on accounting policies and other financial topics relevant to the Company, to assist in fulfilling their duties. Further, the Board may seek explanations and additional information from the Company's external auditors, without management present, when required.

When considered necessary or appropriate, the Board may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

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### 6 Reporting to the Board and shareholders

To assist the Board to carry out its audit function, the Board in its capacity as the Audit and Risk Committee should compile a report, at least annually, on the following matters:

- (a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs;
- (b) assessment of the management processes supporting external reporting;
- (c) recommendations for amending the Company's *Procedure for the Selection, Appointment and Rotation of the External Auditor*;
- (d) recommendations for the appointment or, if necessary, the removal of the external auditor;
- (e) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Board is satisfied that provision of those services has not compromised the auditor's independence;
- (f) assessment of the performance and objectivity of the internal audit function (if any);
- (g) the results of the Board's review of the Company's risk management framework and internal control systems;

- (h) the results of the Board's review of this *Audit and Risk Committee Charter*; and
- (i) comment on the Audit and Risk Committee's operation and composition.

The Chair of the Audit and Risk Committee, if appointed, is to be present at the annual general meeting to answer questions, through the Chair of the Board.

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## **7 Review of Charter**

The Board will review this *Audit and Risk Committee Charter* at least annually, and update it as required.

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## Audit and Risk Committee Charter – annual action points

### Financial reporting and internal controls

- Review half-year, annual and, if applicable, quarterly financial statements
- Review compliance with relevant statutory and regulatory requirements
- Assess management's selection of accounting policies and principles
- Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with Board members' information and knowledge
- Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks including tax risk (and other business risks if authorised)
- Assess if the external auditors report is adequate for shareholder needs

### Annual meeting with external auditor

- Discuss the Company's choice of accounting policies and methods, and any recommended changes
- Discuss the adequacy and effectiveness of the Company's internal controls
- Discuss any significant findings and recommendations of the external auditor and management's response to those findings and recommendations
- Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information

### External auditor

- Review the Company's *Procedure for the Selection, Appointment and Rotation of External Auditor*
- Appoint and, if necessary, remove the external auditor and approve the terms on which the external auditor is engaged
- Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services
- Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees
- Assess the overall performance of the external auditor
- Ensure external auditor is given notice of all general meetings and is requested to attend AGM

### Internal communications and reporting

- Provide the report described in clause 6 of the *Audit and Risk Committee Charter*
- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

## **Risk**

- Evaluate the adequacy and effectiveness of the Company's risk management framework
- Identify material changes to the Company's risk profile
- Formulate an action plan to address areas of perceived risk and monitor implementation programs
- Review the strategic direction, objectives and effectiveness of the Company's risk management framework
- Consider internal controls, including the Company's policies and procedures to assess, monitor and manage risks.

## **Other**

- Verify the composition of the Audit and Risk Committee function is in accordance with the *Audit and Risk Committee Charter*
- Review the independence of each Board member based on the Company's *Policy on Assessing the Independence of Directors*
- Review the *Audit and Risk Committee Charter and Action Points* at least annually, and update as required
- Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's *Code of Conduct*
- Consider continuous disclosure requirements with regard to corporate reporting