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| <b>Document Title</b> | Audit & Risk Committee Charter |
| <b>Version #</b>      | 5                              |
| <b>Date Ratified</b>  | 16 March 2018                  |

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## 1. Overview

The Audit & Risk committee oversees and monitors the company's audit and risk management processes, including the company's internal control activities.

## 2. Role and responsibilities

The Audit & Risk Committee is appointed by the Board and is responsible to the Board for:

- reviewing and monitoring the integrity of the company's consolidated financial reports and statements;
- reviewing and overseeing systems of risk management, corporate reporting, internal control and regulatory compliance;
- overseeing the processes for:
  - identifying significant risks facing the company; and
  - implementing appropriate and adequate control, monitoring and reporting mechanisms;
- liaising with and monitoring the performance and independence of the external auditor; and
- monitoring the company's culture to gauge how it is aligned with:
  - conduct consistent with sound and effective risk management; and
  - the reputation and brand of the company.

Unless otherwise determined by the Board, references to "the company" in this document include all entities owned or controlled by ECT Ltd.

### 3. Composition

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The Audit & Risk Committee will comprise at least three members including one non-executive and independent director.

Membership of the Audit & Risk Committee is reviewed by the Board at least annually and members are eligible for reappointment. Membership of the audit committee is to be confirmed annually by the Board.

Each Audit & Risk Committee member must be financially literate. Preferably, the majority of Audit & Risk Committee members will be non-executive and independent. At least one member of the Audit and Risk Committee must have relevant qualifications (accounting or finance) and experience.

The Chair of the Committee must be non-executive and independent and cannot be the Chair of the Board.

Other persons may attend meetings of the Audit & Risk Committee by invitation. Persons who may commonly be invited to attend include:

- executive team members
- the chief financial officer
- the company secretary
- the external audit provider

These people may take part in the business of, and discussions at, the meeting but have no voting rights (unless they are members of the Audit & Risk Committee).

### 4. Meetings

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The Audit & Risk Committee will meet at least four times a year and additionally as the committee considers necessary at appropriate points in the audit cycle. The internal or external auditors may request a meeting and such a request is to be met.

A quorum will be more than half the members. In the Chair's absence from a meeting, the members present will select a chair for that particular meeting.

All Audit & Risk Committee members are expected to attend each meeting in person or through other approved means such as teleconferencing or video conferencing.

The notice and agenda of a meeting will include relevant supporting papers.

The Audit & Risk committee may consult with other people or seek any information it considers necessary to fulfil its responsibilities. The members may meet separately with auditors.

### 5. Liaison with external auditors

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The secretary to the Audit & Risk Committee will circulate all material correspondence between external auditors and the company to the Audit & Risk Committee members. The secretary will also communicate to the Committee any material issues arising from any other contact with the external auditors.

The Audit & Risk Committee will meet with the external auditors annually in August each year once the audit is complete but prior to the issue of the management letter, to discuss the audit and any issues that may have arisen. For part of this meeting, any executive members of the Audit & Risk Committee will leave the room and not participate.

## 6. Conflicts of Interest

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Committee members and invitees will be invited to disclose conflicts of interest at the commencement of each meeting or as soon as practical after that. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from Committee decision making on the issue where a conflict exists.

## 7. Secretariat Duties

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The company secretary (or other appropriate designated person) will act as secretary to the Audit & Risk Committee.

The secretary will assist the Chair to develop and distribute notices of meeting, agendas, papers, minutes and an annual schedule for the Committee's work.

## 8. Minutes

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Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a meeting. The minutes must be ratified at the next meeting of the Committee and signed by the chair of that next meeting.

## 9. Reporting to the Board

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The Chair of the Committee is to report to the Board at each Board meeting and at other times upon request by the Board. The manner of reporting may be by distribution of a copy of the Committee's minutes of meeting supplemented by other necessary information, including recommendations requiring Board action and/or approval.

The Committee will seek to schedule a more detailed session with the Board annually, preferably around March, in order to review the Committee's activities in more detail including reviewing the most significant risks facing the company and the risk mitigations that are in place.

The Chair is to organise the supply of information regarding the Audit & Risk Committee which is to be included in the company's annual report.