



CORUM GROUP LIMITED

ACN 000 091 305

**Audit Committee Charter
Disclosure – Risk Management**

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.

Composition

- 2.1 The Committee must comprise at least two members.
- 2.2 All members of the Committee must be non-executive Directors.
- 2.3 A majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A below.
- 2.4 The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- 2.5 All members of the Committee must be able to read and understand financial statements.
- 2.6 The Chairman of the Committee may not be the Chairman of the Board of Directors.
- 2.7 The Chairman shall have leadership experience and a strong finance, accounting or business background.
- 2.8 The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

Purpose

- 3.1 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;
 - (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.
- 3.2 A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

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) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the half yearly and annual 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 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 half yearly and 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.
- (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.
- (e) Review the Internal Control Reports.

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.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for Whistleblower protection.
- (c) To the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "Code of Conduct ". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

Meetings

- 5.1 The Committee will meet at least twice each year and additionally as circumstances may require for it to undertake its role effectively.
- 5.2 Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- 5.3 Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.

- 5.4 A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominee, the members shall elect one of their members as Chairman of that meeting.
- 5.5 Decisions will be based on a majority of votes with the Chairman having a casting vote.
- 5.6 The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.
- 5.7 Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6. Secretary

- 6.1 The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- 6.2 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.
- 6.3 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

- 7.1 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

- 8.1 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.
- 8.2 Members of the Committee may meet with the auditors, both internal and external, without management being present.

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

9. Review of charter

9.1 The Board will conduct an annual review of the membership 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.

9.2 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

10.1 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.

10.2 The Committee must brief the Board promptly on all urgent and significant matters.

11. Adoption and amendment

11.1 This Charter was reviewed by the Board in July 2021.

11.2 This Charter may be amended from time to time by resolution of the Board.

DISCLOSURE – RISK MANAGEMENT

1. Disclosure – Risk Management Review Procedure and Internal Compliance and Control

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- (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;
- (b) Assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- (c) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- (a) Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks.
- (d) Formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls.
- (e) Monitoring the performance of and improving the effectiveness of risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) Compliance with applicable laws and regulations, including environmental laws and regulations.
- (b) Preparation of reliable published financial information.
- (c) Implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.