

Audit and Risk Management Committee

1. Audit and Risk Management Committee Charter

- 1.1 To assist in the execution of the Board's corporate governance responsibilities, the Board has established an audit and risk management committee (Audit and Risk Management Committee). This charter governs the roles, responsibilities, composition and membership of the Audit and Risk Management Committee.
- 1.2 The Audit and Risk Management Committee comprises a minimum of three members. The Audit and Risk Management Committee must be chaired by an independent director and the Company Secretary acts as secretary of the Audit and Risk Management Committee. In case of an equality of votes upon any proposed resolution, the proposed resolution is to be taken to the Board for final determination.
- 1.3 Each member of the Committee must be able to read and understand financial statements. The Committee must also include at least 1 member who is a qualified accountant or other financial professional with experience in financial and accounting matters.
- 1.4 A quorum for Audit and Risk Management Committee meetings will be three members.

2. Roles and responsibilities

- 2.1 The purpose of the Audit and Risk Management Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities by attending to the following:
 - (1) review interim and annual financial statements;
 - (2) the establishment and maintenance of a framework of risk management;
 - (3) establishing internal controls and ethical standards for the management of the Company;
 - (4) ensure accounting records are maintained in accordance with statutory and accounting standards requirements;
 - (5) monitor systems designed to ensure financial statements and other information provided is timely, reliable and accurate;
 - (6) review asset values to ensure they are appropriate and meet the requirements of the Corporations Act and relevant accounting standards;

- (7) review the audit process with the External Auditor to ensure full and frank discussion of audit issues in the absence of management;
- (8) assess the adequacy of the Company's control systems, including accounting, financial and operating controls and the appropriateness of its accounting policies and practices;
- (9) provide a link between the board and the External Auditor, reviewing, on a half and full year basis, the financial results, tax returns and reports to the board on findings prior to publication and release to the market; and
- (10) review and evaluate the performance, independence and effectiveness of the External Auditor and the audit fee arrangements.

2.2 The Committee has unrestricted access to management, the External Auditor and all Company records for the purpose of carrying out its responsibilities under this Charter. The Committee has the power to engage independent experts it requires to help it fulfil its duties. Costs associated with this will be borne by the Company.

3. **Audit Framework**

3.1 The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions. In order to seek to ensure that this purpose is achieved, the Board has implemented the following framework:

- (1) the Board is responsible for ensuring the appointment of the External Auditor;
- (2) the External Auditor will attend Audit and Risk Management Committee meetings by invitation from the Committee;
- (3) the External Auditor has the right to meet separately with the independent director members of the Audit and Risk Management Committee, if this is considered appropriate;
- (4) the External Auditor will report to the Audit and Risk Management Committee as to how the Company's accounting practices and reporting procedures compare to best practice;
- (5) the Company requires the External Auditor to provide suitably qualified personnel to ensure an effective audit. They should provide audit personnel who are appropriately trained, capable of meeting technical standards, able to maintain confidentiality and behave in a professional manner at all times;
- (6) the Audit and Risk Management Committee will require the External Auditor to confirm annually that it has complied with all legislation and professional regulations relating to auditor independence;
- (7) the Company requires its External Auditor to maintain quality control processes whereby all key accounting decisions are reached after appropriate consultation with technical and subject matter experts within their firm;
- (8) as a matter of principle and sound corporate governance, the Audit and Risk Management Committee will require the External Auditor to annually provide

assurance that total fees received by the External Auditor from the Company do not have a material impact on its operations or financial condition;

- (9) non-audit work performed by the External Auditor is restricted to an agreed maximum fees level. Excess fees may not be incurred without the prior approval of the Chairman of the Audit and Risk Management Committee; and
- (10) the External Auditor will attend Annual General Meetings of the Company at which the auditor's report is tabled and answer questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

4. Meetings

- 4.1 The Audit and Risk Management Committee shall meet as frequently as required but must, at a minimum meet 2 times per year. Management (other than members of the Committee) attend meetings of the Committee by invitation.

5. Reporting

Reporting to the Board

- 5.1 The Audit and Risk Management Committee must report to the Board at the first Board meeting subsequent to each Committee meeting, in relation to the proceedings of each Audit and Risk Management Committee meeting, the outcomes of the Audit and Risk Management Committee's reviews and recommendations and any other relevant issues as detailed in the audit committee pack which forms part of the Board papers distributed to the Directors prior to each Board meeting.
- 5.2 The minutes of the Committee meetings must be included in the papers for the next full Board meeting subsequent to each Committee meeting.

6. Restrictions on Work by External Auditor

- 6.1 The following services by the External Auditor are prohibited to ensure that the independence of the External Auditor is not affected by conflicts. An External Auditor may not:
 - (1) be required to audit their own work;
 - (2) participate in activities that would normally be undertaken by senior management;
 - (3) be remunerated through a "success fee" structure; or
 - (4) act in an advocacy role for the Company.
- 6.2 The External Auditor is permitted to provide non-audit services that are not perceived to be in conflict with auditor independence, including tax advice services. The approval framework requires the Managing Director's approval for all assignments and for those assignments where the fees are greater than \$20,000, prior approval by the Audit and Risk Management Committee is required. All assignments are reported to the Audit and Risk Management Committee. Where the fees for tax services for any one year will be

greater than that of the audit fees for that year, then Audit and Risk Management Committee approval is required for such tax services. Notwithstanding the restrictions outlined above, the Board has the right to request the External Auditor to carry out a specific assignment, if it is determined by the Board that it would be in the best interest of the shareholders and the Company.

6.3 An External Auditor will not normally provide the following services:

- (1) bookkeeping or other services relating to accounting records or design and implementation of financial information systems;
- (2) appraisal or valuation of fairness opinions (relating to audit work);
- (3) advice on corporate strategy together with assistance in related documentation;
- (4) actuarial advisory services;
- (5) executive recruitment services or extensive human resource functions;
- (6) acting as broker-dealer, promoter or underwriter;
- (7) provision of legal services; or
- (8) internal audit services.

6.4 The Audit and Risk Management Committee will help ensure the independence of the External Auditor by requiring that:

- (1) the External Auditor makes an annual declaration to the directors of the Company that the External Auditor has complied with the independence requirements of the Corporations Act and of any applicable codes of professional conduct;
- (2) the Company's annual directors' report will disclose the fees paid to the External Auditor for each non-audit service, a description of each non-audit service, and a statement by the directors that specifies whether the directors are satisfied that the provision of the non-audit services has not comprised independence;

7. **Economic, environmental and social sustainability risks**

7.1 The Board is committed to conducting business in an environmentally responsible and ethical manner. The Board recognises the importance of respecting its stakeholders, including employees, shareholders, customers and suppliers. The Board reviews all incidents for the month who then work with management at mitigating the issues to ensure that all employees and customers are in a safe environment. Noni B supports the ILO Convention with regard to the appropriate age of workers and will not work with suppliers who use child labour

8. **Review of the charter**

This charter was adopted by the Board on 26th of July 2016 and will be reviewed at least annually and revised by the Board as required.