



Audit and Risk Committee Charter

**Eildon Capital Limited (ACN 059 092 198)
(Company)**

Table of contents

| | | |
|----------|-------------------------------------------------------|----------|
| 1 | Purpose of this document | 3 |
| 2 | The Committee | 3 |
| 3 | Structure and operation | 3 |
| 3.1 | Membership | 3 |
| 3.2 | Quorum | 3 |
| 3.3 | Meetings..... | 3 |
| 3.4 | Attendance | 3 |
| 3.5 | Committee secretary..... | 3 |
| 3.6 | External advice and right to obtain information | 3 |
| 3.7 | Reporting to the Board..... | 4 |
| 4 | Role and responsibilities | 4 |
| 4.1 | External reporting..... | 4 |
| 4.2 | External audit | 5 |
| 4.3 | Risk management..... | 5 |
| 5 | Review of this document | 6 |

1 Purpose of this document

This document sets out the functions and responsibilities of the Company's audit and risk committee (**Committee**) within the governance structure of the Company and its subsidiaries (together, **Group**).

2 The Committee

The Committee is established by the board of directors of the Company (**Board**) to review, evaluate and make recommendations to the Board in relation to the Group's accounting, auditing, financial reporting and risk management practices.

3 Structure and operation

3.1 Membership

The chairperson and members of the Committee are appointed by the Board.

In making such appointments, the Board should aim to ensure that:

- (a) the Committee consists of a minimum of three members, a majority of which (including the chairperson of the Committee) are independent non-executive directors of the Company; and
- (b) between them, the members of the Committee should have the accounting and financial expertise, the technical knowledge and a sufficient understanding of the industry in which the Group operates, to be able to discharge the Committee's duties effectively.

3.2 Quorum

The quorum for any Committee meeting is at least two members.

3.3 Meetings

The Committee will meet at least once per annum and more often if deemed necessary by any member of the Committee.

3.4 Attendance

Any director of the Company (**Director**) may attend a meeting of the Committee for the purposes of discussion (without any entitlement to vote).

Without limiting the above, the Managing Director and the Chief Financial Officer may be invited to attend meetings of the Committee, at the discretion of the Committee.

If the Group has appointed an internal auditor, that person may be invited to attend meetings of the Committee, at the discretion of the Committee.

The external auditor will be asked to be present at meetings of the Committee convened to review financial statements and the procedures leading to their preparation, and may be invited to attend meetings of the Committee at other times at the discretion of the Committee.

3.5 Committee secretary

Unless the Board or the Committee determines otherwise, the company secretary of the Company will be the secretary of the Committee.

3.6 External advice and right to obtain information

The Committee is entitled to:

- (a) consult with expert advisers at the expense of the Company to seek expert advice;

- (b) obtain information from the Group;
 - (c) interview management; and
 - (d) interview internal and/or external auditors (with or without management being present),
- in each case, where it considers it necessary to carry out its duties.

3.7 Reporting to the Board

The Committee will provide written recommendations to the Board on matters that require the decision of the Board. These recommendations will be included in the Board Papers under items for decision by the Board and be accompanied by information supporting the recommendation to enable Directors to make a considered decision.

In addition, the chairperson of the Committee will keep the Board informed on the deliberations of the Committee and matters delegated to the Committee.

4 Role and responsibilities

4.1 External reporting

The Committee is responsible for:

- (a) reviewing the appropriateness of the accounting judgements or choices exercised by management in the composition and presentation of financial reports;
- (b) overseeing the preparation of financial reports and reviewing the results of external audits of those reports;
- (c) assessing significant estimates and judgements in financial reports by examining the processes used to derive material estimates and judgements and seeking verification of those estimates from external auditors;
- (d) reviewing and making recommendations in relation to the adequacy of the Group's corporate reporting processes;
- (e) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Group of financial and non-financial information;
- (f) assessing (before publication) whether external reporting is consistent with the understanding of the Committee members and otherwise provide a true and fair view of, the financial position and performance of the Group;
- (g) reviewing material documents and reports prepared for lodgement with regulators, assessing their impact on the Group and making recommendations to the Board on their approval or amendment;
- (h) assessing information from external auditors that affects the quality of financial reports;
- (i) asking the external auditor for an independent judgement about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by the Group;
- (j) assessing solvency and the going concern assumption;
- (k) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;
- (l) recommending to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them; and
- (m) any other similar matters identified or requested by the Board from time to time.

4.2 External audit

The Committee is responsible for:

- (a) making recommendations to the Board on the appointment and remuneration of the external auditor and, if appropriate, recommending that tenders be called to assist in deciding which external auditor should be recommended;
- (b) making recommendations to the Board on the rotation of the audit engagement partner;
- (c) agreeing the terms of engagement of the external auditor before the start of each audit;
- (d) reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (e) monitoring the effectiveness and independence of the external auditor, and periodically assessing their performance;
- (f) reviewing the external auditor's independence based on the external auditor's relationships and services with the Group and other organisations;
- (g) assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgement or independence and, if required, developing policies for the Board's approval to ensure this does not occur;
- (h) making recommendations to the Board on the removal of the external auditor;
- (i) inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- (j) reviewing the scope and adequacy of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- (k) raising with the external auditor any specific points of divergence with the Group's management;
- (l) monitoring and examining management's response to the external auditor's findings and recommendations;
- (m) reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate; and
- (n) any other similar matters identified or requested by the Board from time to time.

4.3 Risk management

The Committee is responsible for:

- (a) reviewing and monitoring the propriety of related party transactions;
- (b) understanding, reviewing and assessing the Group's risk profile and risk management framework, including all material financial and non-financial risks facing the Group;
- (c) ensuring that the Group has an effective risk management system;
- (d) assessing and ensuring that there are internal controls for determining and managing key risk areas, such as, for example:
 - (i) non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws (as relevant to the Group from time to time);
 - (ii) important judgements and accounting estimates;
 - (iii) business licence requirements;

- (iv) litigation and claims;
- (v) fraud and theft; and
- (vi) relevant business risks not dealt with by other committees of the Board;
- (e) receiving and evaluating reports concerning material and actual incidents within the risk areas above and reporting to the Board as appropriate;
- (f) conducting investigations of breaches or potential breaches of any internal controls, and incidents within the risk areas above, particularly in relation to accounts and financial reporting;
- (g) examining and evaluating the effectiveness of the external auditors and making improvements;
- (h) evaluating voluntary reporting by employees of breaches of the Group's policies, and incidents within the risk areas identified;
- (i) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;
- (j) meeting periodically with key management, external auditors and compliance staff to understand the Group's control environment;
- (k) assisting with reporting on risk management for inclusion in the Company's annual report; and
- (l) ensuring that the Group has appropriate internal audit systems and controls in place;
- (m) if the Group has appointed an internal audit function:
 - (i) receiving direct reports from the internal auditor;
 - (ii) making recommendations to the Board in relation to appointing and removing the internal auditor;
 - (iii) reviewing, developing and approving an internal audit work plan; and
 - (iv) assessing objectivity and performance of the internal audit function;
- (n) reviewing, evaluating and making recommendations to the Board in relation to the Group's insurance program, having regard to the Group's business and the insurable risks associated with its business; and
- (o) any other similar matters identified or requested by the Board from time to time.

5 Review of this document

The Committee is responsible for reviewing this document from time to time. This document may be amended by resolution of the Board.