



# Audit and Risk Committee Charter

This Charter operates as to define the role and responsibilities delegated to the Audit and Risk Committee by the Board.

## 1 Overview

This Charter outlines the functions and responsibilities of the HFA Holdings Limited (the “Company”) Audit and Risk Committee (the “Committee”) and identifies the functions and responsibilities that have been delegated to the Committee by the Board of Directors of the Company.

In carrying out its responsibilities and exercising its powers, the Committee at all times recognises its overriding responsibility to demonstrate best governance and act with integrity and diligence. The Committee has appropriate regard to the interests of the Company’s shareholders, as well as its employees, clients, investors and the broader community in which the Company operates.

## 2 Duties and Responsibilities

The role of the Committee is to assist the Board in discharging its oversight responsibilities in relation to audit and financial reporting matters and the Company’s risk management systems.

The Committee will be responsible for:

- overseeing the financial reporting process to ensure the balance, transparency and integrity of published financial reports, including:
  - reviewing the appropriateness of accounting policies adopted in relation to financial reporting;
  - assessing management’s process surrounding financial reporting;
  - considering the results of the audit, including recommendations submitted by the external auditor and management’s responses; and
  - making recommendations to the Board regarding those matters;
- recommending the interim and annual Financial Reports to the Board;
- reviewing the effectiveness of internal controls;
- overseeing the Company’s risk management systems and strategies including:
  - assessing the internal processes for determining, managing and reporting on key risk areas;
  - annually reviewing the risk management policy and review of risk management register and mitigating activities;
  - assigning responsibilities in relation to risk management; and
  - reporting to the Board, at least annually, regarding those matters;
- reviewing the Company’s process for monitoring compliance with laws and regulations;
- reviewing the independence of the external auditors and audit process, including:
  - making recommendations to the Board regarding the appointment/removal of the external auditor and rotation of the external audit partner;
  - assessing the performance of the external auditor; and
  - reviewing non-audit services provided by the external auditor and providing recommendations to the Board in relation to auditor independence;
- reviewing compliance with, and providing the Board with recommendations in relation to the Company’s External Auditor Policy;

- reviewing and providing recommendations to management in relation to the engagement terms and conditions of the external auditor; and
- considering and reporting to the Board on any such other matters as the Board may refer to the Committee from time to time.

The Committee shall meet with the external auditor at least once a year and at any other time during the year considered necessary without the presence of management.

### 3 Authority

The Board authorises the Committee, through the Chair, to:

- appoint, compensate and oversee the work of any registered company auditor engaged by the Company;
- resolve any disagreements between management and the auditor on financial reporting;
- pre-approve all auditing and non-auditing services;
- take such independent professional advice as it considers necessary to advise the Committee or assist in the conduct of an investigation.

The Committee shall have no executive powers with regard to its findings and recommendations.

### 4 Rights of Access

In order to properly exercise its duties and responsibilities, the Committee has a right of access to, and at all times may seek explanation or additional information from:

- (a) the Company's books and records;
- (b) management and officers of the Company, its subsidiaries and related bodies corporate; and
- (c) the external auditor without management being present.

### 5 Membership

The Committee shall comprise a minimum of three non-executive members of the Board; the majority of which shall be independent Directors.

Each member should have the skills and experience appropriate to the Company's business. Each member shall be financially literate. At least one member must have accounting or related financial expertise.

The Board may appoint such additional Directors to the Committee or remove and replace members of the Committee by resolution of the Board.

### 6 Meetings

The Committee determines a schedule of meetings at the beginning of each year. It is intended that the Committee meet at least twice a year in line with the Company's statutory reporting cycle. In addition, Committee meetings will be held as required to address specific issues.

A quorum for a meeting will be three members, of which a majority must be independent Directors.

Members of management may be invited to attend Committee meetings (or parts of meetings) from time to time where the Committee considers their involvement of assistance to the consideration of items of business before the Committee.

The Chief Financial Officer (CFO), whilst not a member of the Committee, shall attend all Committee meetings as required by the Committee, but will not have any voting rights.

The external Auditor shall be invited to attend Committee meetings when considered appropriate by the Committee.

Meetings may be by whatever medium the Committee chooses, e.g. circular resolutions, teleconference etc.

The Chair will call a meeting of the Committee if so requested by any Director. The Secretary will convene a meeting upon the receipt of a request by any member of the Committee.

Notice will be given via email to Committee members of every meeting of the Committee at the member's email address for service of notice, however there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Committee makes a decision if it is supported by a majority of members who are present at the meeting. The Chair shall have a casting vote.

All Committee members, Directors and other attendees at Committee meetings are, as officers and/or fiduciaries, required to keep all Committee information and discussions confidential.

## 6.1 Chair

The Board recommends one of the members of the Board to be appointed as Chair of the Committee. The Chairperson of the Board is not eligible to be appointed as Chair.

The Chair of the Committee shall be an independent non-executive director. However, any Committee member may, with the consent of those Committee members present at the meeting, chair all or a part of a meeting in the absence of the Chair.

The Chair will be responsible for ensuring that the principles and processes of the Committee are maintained.

The Chair will set the agenda for each meeting in consultation with the Secretary. Any Directors, Committee members or the CFO may request that an item be added to the agenda.

The Chair has authority to act and speak for the Committee between meetings, including engaging with the CFO and the external auditor. The Chair will report to the Board and Committee as appropriate on decisions and actions taken between meetings of the Committee.

## 7 Secretary

The Company Secretary shall be appointed secretary of the Committee ('Secretary').

The Secretary shall:

- organise for an agenda to be drawn up for each meeting;
- circulate the agenda and supporting documentation prior to each meeting;
- draft the minutes of the meetings and distribute to the Committee for approval; and
- maintain the Committee's secretariat files.

Upon approval by the Chair, all minutes of the Committee will be entered into a minute book maintained for that purpose and will be open for inspection by any Director or Committee member.

## 8 Reporting

The Chair shall report the findings and recommendations of the Committee to the Board after each Committee meeting. The manner of reporting may be by distribution of a copy of the minutes supplemented by other necessary information, including recommendations requiring Board action and/or approval.

The report should ordinarily be included in the papers for the next full board meeting following each Committee meeting.

## 9 Review

The Committee will regularly review the membership and Charter of the Committee to:

- determine their adequacy in the then current circumstances; and
- ensure the Committee's processes enable the Committee to continue to carry out its responsibilities in an effective manner.

The Committee shall recommend any changes to the membership and charters of the Committee to the Board for approval.