

# Audit and Risk Management Committee Charter

**Rubicor Group Limited**

# Rubicor Group Limited

## Audit and Risk Management Committee Charter

---

### 1. Objectives

The Audit and Risk Management Committee (**Committee**) has been established by the board of directors (**Board**) of Rubicor Group Limited (**Company**) and applies to the Company and its subsidiaries (**Group**). Its functions are to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Group by:

- (a) assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Group's financial performance, the audit process, and the Group's process for monitoring compliance with laws and regulations and the Group's code of conduct (including the conduct of regular reviews of operations and general compliance);
  - (b) assisting the Board with the adoption and application of appropriate ethical standards and management of the Group and the conduct of the Group's business;
  - (c) implementing and supervising the Group's risk management framework;
  - (d) reviewing the adequacy of the Group's insurance policies.
- 

### 2. Authority

The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- (a) retain outside counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
  - (b) seek any information it requires from employees (all of whom are directed to cooperate with the Committee's requests) or external parties; and
  - (c) meet with Group officers, external auditors, or outside counsel, as necessary.
- 

### 3. Specific responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

#### (a) Financial Statements

- Review the financial statements for the half year and full year, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles.

- Receive and consider in connection with the half year and full year financial statements the Chief Executive Officer and Chief Financial Officer letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of its risk management, internal compliance and control systems and the process and evidence the Chief Executive Officer and Chief Financial Officer adopted to satisfy themselves.
- Review the financial sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors the results of the audit.

**(b) Internal Control**

- Review the effectiveness of the Group's internal controls regarding all matters affecting the Group's financial performance and financial reporting, including information technology security and control.
- Review the scope of internal and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.

**(c) Internal Audit**

- Review with management and the internal auditor (if one is appointed), this Charter, plans and activities of the internal audit activity.
- Meet with the internal auditor to review reports and monitor management response.
- Meet separately, at least once a year, to discuss any matters that the Committee or internal auditor believes should be discussed privately.
- Review the effectiveness of the internal audit activity.
- Ensure there are no unjustified restrictions or limitations placed on the internal auditor, and review and concur in the appointment, replacement or dismissal of the internal auditor by management.

**(d) External Audit**

- Review the external auditors' proposed audit scope and approach.
- Meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed privately.
- Establish policies as appropriate in regards to the independence of the external auditor.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Group, including non-audit services, and discussing the relationships with the auditors.

- Review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditor and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to shareholders for their approval.

**(e) Compliance**

- Consider the workplan for Group compliance activities.
- Obtain regular updates from management and company legal counsel regarding compliance matters.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies.
- Review the process for communicating the code of conduct to Group personnel, and for monitoring compliance therewith.

**(f) Risk Management**

- Consider the overall risk management framework and review its effectiveness in meeting sound corporate governance principles. Keep the Board informed of all significant business risks.
- Review with management the system for identifying, managing, and monitoring the key risks of the Group.
- Obtain reports from management on the status of any key risk exposures or incidents.

**(g) Reporting Responsibilities**

- Regularly report to the Board about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board. For the purpose of supporting the independence of their function, the external auditor and the internal auditor have a direct line of reporting access to the Committee.
- Report annually to the shareholders, describing the Committee’s composition, responsibilities and how they were discharged, and any other information required by law or the Listing Rules of the Australian Stock Exchange.
- Review any other reports the Company issues that relate to Committee responsibilities.

**(h) Related Party Transactions**

- Review and monitor related party transactions and investments involving the Group and its directors including maintaining a register of related party contracts, which is reviewed at least annually.

**(i) Review Insurance Policies**

- Review the adequacy of the Group's insurance policies.

**(j) Other Responsibilities**

- Review adequacy of external reporting by the Company to meet the needs of shareholders.
- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate the Committee's and individual members' performance on a regular basis.

---

**4. Composition**

- (a) The Committee will comprise a minimum of three directors.
- (b) All members must be non-executive directors who are financially literate. At least one member must have expertise in financial reporting.
- (c) The Board will nominate the chairman of the Committee (**Chairman**) from time to time. The Chairman must be an independent director who is not chairman of the Board.
- (d) The Committee may invite other persons to attend meetings of the Committee including the Chief Executive Officer and the Chief Financial Officer.
- (e) The Committee may invite the Company's external auditors to attend meetings of the Committee.

---

**5. Procedural requirements**

- (a) The Committee will meet as required but not less than four times a year.
- (b) A quorum of the Committee will comprise two members, although all members are expected to attend (either in person or by conference call or similar means) and participate.

- (c) If the Chairman is absent from a meeting and no acting Chairman has been appointed, the members present may choose one of them to act as Chairman for that meeting.
- (d) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- (e) Each member of the Committee will have one vote.
- (f) The Chairman will not have a casting vote. If there is a tied vote, the motion will lapse.
- (g) The Committee may seek such advice from any external parties or professional advice as it may consider necessary or desirable to fulfil its objectives.
- (h) Following each meeting the Chairman will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
- (i) Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.
- (j) The Company Secretary will provide such assistance as may be required by the Chairman in relation to preparation of the agenda, minutes or papers for the Committee.
- (k) As necessary or desirable, the Chairman may invite members of management, including the head of internal audit and representatives of the external auditors or other external advisors, to be present at meetings of the Committee.

---

## **6. Annual review**

The Committee will prepare and provide to the Board annually:

- (a) a self-evaluation of its performance against its Charter, goals and objectives;
- (b) recommended goals and objectives for the coming year; and
- (c) recommended changes or improvements to its Charter if necessary.

The annual review may be done by way of an oral report to the Board by the Chairman of the Committee.

---

## **7. Revisions of this Charter**

This Charter of the Committee must be approved by the Board of the Company.

The Committee is responsible for review of the effectiveness of this Charter and the operations of the Committee and to make recommendations to the Board of any amendments.