



Audit and Risk Committee Charter

1. Introduction

The Board of Euroz Hartleys Group Limited (the **Company**) has established an Audit & Risk Committee (“the Committee”) to assist it with the management of financial, operational and regulatory risk of the Company and all its subsidiaries. (the **Group**). This is the charter of the Audit & Risk Committee.

2. Purpose

The Committee is responsible for assisting the Board of Euroz Hartleys Group Limited (the **Board**) in discharging its responsibilities to safeguard the integrity of the Company’s and the Group’s financial reporting and the system of internal control.

The Committee will review the Company’s and the Group’s financial statements to oversee the integrity of the Company’s and the Group’s financial position and to oversee the independence and competence of the Company’s and the Group’s external auditors.

The Committee’s role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its corporate governance responsibilities in regard to financial reporting, the internal control environment, risk management and audit management across the Group.

3. Authority

The Committee is authorised by the Board to perform the activities and pass resolutions relating to all its responsibilities set out in Section 6 of this Charter. In addition, the Committee is authorised to:

- 3.1 investigate any activity it deems appropriate, consistent with its responsibilities and duties;
- 3.2 seek explanations and additional information from management and any officer or employee of the Group, all of whom must co-operate with any request made by the Committee;
- 3.3 meet with external auditors;
- 3.4 resolve any disagreements between management and the external auditors;
- 3.5 carry out any activities, determinations, decisions or resolutions delegated by the Board to the Committee; and
- 3.6 engage any firm of accountants, lawyers or other professionals as the Committee sees fit to provide independent advice and to assist in any review or investigation on such matters as the Committee deems appropriate, and all associated costs will be borne by the Company.

The Group Company Secretary, Head of Risk (“Head of Risk”) and the external auditor all report independently to the Committee. The Committee will have access to all books, records, facilities and personnel of the Group for the Committee to discharge its responsibilities.



4. Membership

The Board will appoint the members of the Committee and the Chair of the Committee (who must not be the Chair of the Board). The Committee will be comprised of at least three members of the Board.

The Chairman of Euroz Hartleys Group Limited and Managing Director of Euroz Hartleys Limited cannot be members of the Audit & Risk Committee. All members of the Committee must be financially literate (that is, are able to read and understand financial statements). At least one member of the Committee must be a qualified accountant or other finance professional with significant relevant financial and/or accounting expertise. At least one member of the Committee must have significant relevant understanding of the business of the Group and the Finance industry.

Members will be appointed for a three-year term and can be re-appointed. The Committee will make recommendations to the Board with regards to an individual's membership to the Committee; however final approval of all Committee membership is reserved for the Board.

The Managing Director, Chief Financial Officer, Group Company Secretary, Head of Risk, the external auditors, and any members of the senior management team as requested by the Chair, are entitled to attend the Committee meetings. The Chair may invite other members of management or external parties (as appropriate) to attend all or part of any Committee meeting.

In addition, the secretary of the Committee will be the Group Company Secretary or their delegate who must attend all meetings to take minutes.

5. Meetings

5.1 Quorum & voting

A quorum of any Committee meeting will be three members. A duly convened meeting of the Committee at which a quorum is present shall be sufficient to exercise all or any of the authorities, powers and discretions vested in or exercisable by, the Committee. In the absence of the Chair the remaining members of the Committee will elect one of their number as Chair of the meeting.

Each member will have one vote and the Chair of the Committee will not have a casting vote.

Meetings may be held, and resolutions passed by means of a conference call or similar communications equipment, or any other technology or process by means of which Board meetings may be held and resolutions passed under the provisions of the Company's constitution and the Corporations Act (Cth) 2001.

5.2 Frequency

The Committee will meet a minimum of four times per year and more frequently if required, as determined by the Chair or as called in accordance with 5.3.

5.3 Calling meetings

The external auditors may convene a meeting by making a request to the Chair or Group Company Secretary.



The Committee shall meet at least annually with the Head of Risk, and separately the external auditors to discuss any matters the Committee considers relevant to the purpose of the Committee.

The Committee or the Chair of the Committee may invite non-Committee members to attend its meetings as deemed necessary from time to time.

5.4 Schedule of meetings

Where practicable, a schedule of meetings shall be agreed in advance, however meetings can be held as determined by the Chair or as called in accordance with 5.3 or 5.4.

In addition, the Group Company Secretary is required to call a meeting of the Committee up on request by either a Committee member, the Managing Director, the COO/CFO, the Head of Risk or the external auditors.

5.5 Minutes

The Group Company Secretary shall keep minutes of all Committee meetings.

To the extent practicable, the Group Company Secretary will include copies of the minutes of each Committee meeting (in draft or final form) in the papers for the next full Board meeting after each meeting of the Committee.

The Committee minutes, agenda and supporting papers shall be made available to all Company Directors upon request, provided there is no actual or perceived conflict of interest, which is to be determined by the COO/CFO and Company Secretary.

5.6 Reporting

The Committee will report to the Board on all matters relevant to the Committee's responsibilities, including:

- 5.6.1 Assessing whether the Company's external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;
- 5.6.2 Monitoring and assessing the adequacy, integrity, and effectiveness of internal controls supporting financial reporting;
- 5.6.3 The procedures for the selection and appointment of external auditors;
- 5.6.4 Recommending the appointment or, if necessary, the removal of the external auditors;
- 5.6.5 Assessing the performance and independence of the external auditors;
- 5.6.6 Making other appropriate recommendations to the Board for approval or action by the Board.

6. Responsibilities

The Committee in meeting its primary objectives should, without limiting the extent of its responsibilities, carry out the tasks and consider the various matters set out below.



6.1 Financial Statements

- 6.1.1 Review significant accounting, tax and reporting issues, including complex or unusual transactions and areas requiring a high level of interpretation or judgement, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- 6.1.2 Review in conjunction with the Board and the external auditors the results of the audit, including any difficulties encountered.
- 6.1.3 Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- 6.1.4 Review where relevant, or requested by the Board or external auditors, other sections of the annual report and other related regulatory filings before release and consider the accuracy and completeness of the information.
- 6.1.5 Understand how management develops interim and final financial information, and the nature and extent of the involvement of the external auditor involvement.
- 6.1.6 Review interim and final financial reports with management and the external auditors before making any recommendations to the board regarding the financial reports and their filing with regulators, and consider whether they are complete and consistent with the information known to Committee members.

6.2 Internal Control

- 6.2.1 Consider the effectiveness of the Company's internal control system, including information technology security and controls.
- 6.2.2 Understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- 6.2.3 Meet with the Company Secretary, in the absence of management, to hear the views of the auditor on financial management and internal controls

6.3 Risk Management and Compliance

- 6.3.1 Interface and review with the Head of Risk the activities, staffing and structure of the risk management and compliance function.
- 6.3.2 Approve the annual framework of the risk and compliance for the Group and monitor the progress of implementation of these plans.
- 6.3.3 Where relevant or desirable discuss the scope of risk and compliance functions directly with the risk and compliance staff.
- 6.3.4 Review with the risk and compliance staff any significant recommendations made by them on the subject of internal control, and management's response to the recommendations.



- 6.3.5 Monitor progress made by management in improving internal controls arising from recommendations made by the risk and compliance staff.
- 6.4 External audit
 - 6.4.1 Interface with the external auditors.
 - 6.4.2 Commission such enquiry by the external auditor as the Committee deems appropriate.
 - 6.4.3 Review with the external auditor any significant recommendations made by them on the subject of internal control, and management's response to the recommendations.
 - 6.4.4 Monitor progress made by management in improving internal controls arising from recommendations made by the external auditors.
 - 6.4.5 Assess the independence of the external auditors and advise the Board on any statements required to be included in the Company's Annual Report as to:
 - a) whether the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act; and
 - b) the reasons for being satisfied (or not satisfied, as the case may be) that the provision of those non-audit services did not compromise the auditor independence requirements of the Corporations Act.
 - 6.4.6 Meet with the external auditors, in the absence of management, to hear the views of the auditors on financial management and internal controls.
- 6.5 Compliance
 - 6.5.1 Liaise with the various internal Compliance Committee's in order to assist facilitate the identification and management of significant areas of risk to the satisfaction of both Committees in an integrated way.
 - 6.5.2 Review the findings of any examinations by regulatory agencies, and any auditor observations regarding those findings.
 - 6.5.3 Review all referred findings, recommendations and actions undertaken by the relevant internal compliance committees with regards to the findings of the examinations by regulatory agencies, and any relevant auditor observations.
 - 6.5.4 Review compliance with taxation requirements and tax risk management.
- 6.6 General
 - 6.6.1 Receive and review the declarations made by the Managing Director and Chief Finance Officer in relation to financial reports (including as required by section 295A of the Corporations Act).
 - 6.6.2 Undertake any matters referred to the Committee by the Board.



6.6.3 To formulate and monitor the effectiveness of financial, accounting and other policies relevant to the Committee's responsibilities.

7. Reviews

7.1 Review of Charter

The Committee will review its Charter every two years, or otherwise as it considers necessary.

The Committee shall advise the Board of any proposed changes and ensure that the Charter is approved by a resolution of the Board.