

1 INTRODUCTION & SCOPE

- 1.1 The Audit & Risk Committee has been established by the Board to assist it in discharging its duties and obligations in relation to:
- Implementing and maintaining a risk management and auditing framework;
 - Implementing, maintaining, and overseeing the effectiveness of policies, procedures and internal controls in relation to risk management and audit;
 - The internal and external audit functions;
 - Compliance with the ASX's Corporate Governance Principles and Recommendations;
 - Compliance with financial, legal and regulatory compliance; and
 - Preparation of financial statements and reporting.
- 1.2 This Charter sets out the responsibilities of the Audit & Risk Committee, as well as outlines its structure and membership, and the processes to be followed.

2 MEMBERSHIP & STRUCTURE

Membership & Composition

- 2.1 The Committee will comprise:
- At least three members;
 - At least two independent directors. In the event that two independent directors are not available, these positions are to be filled by directors whom the Board considers are able to best exercise professional and unbiased judgement; and
 - Only members who have the necessary level of understanding of general accounting, financial or auditing principles to allow them to discharge the role of the committee effectively.
- 2.2 The committee should consider for membership:
- At least one member who has a necessary level of technical and industry knowledge of the IT or Telco industries; and
 - At least one member who has relevant accounting or auditing qualifications and expertise.

Chairman & Secretary

- 2.3 The Board shall appoint a non-executive independent director to be the chairman of the committee. The chairman of the committee cannot also be the chairman of the Board.
- 2.4 The chairman shall be responsible for the conduct of all committee meetings.
- 2.5 The committee shall also appoint a committee secretary to take minutes, subsequently distribute copies to all members, and have the final version approved by the chairman of the committee. The committee secretary can be the Company Secretary, or another member of the committee.

- 2.6 The committee chairman shall then ensure all minutes, once approved, form part of the board papers submitted to the next board meeting.
- 2.7 The committee chairman shall inform the chairman of the Board directly of any matters which come to the committee's attention and require the urgent attention of the Board, and/or may significantly impact upon the financial position, reputation or regulatory compliance of the Company.

Appointment

- 2.8 The Board may appoint or remove a member of the committee at any time, or determine a term or duration for any appointments.
- 2.9 The Board shall review the composition of the committee at least annually.

Meetings

- 2.10 The committee shall meet at least four times per financial year, but may hold as many additional meetings as are required to discharge its duties, or as requested by anyone able to request a meeting.
- 2.11 The Board, a member of the committee, or the internal or external auditor, may request a meeting of the committee to be called, by submitting their request and their agenda, in writing to the chairman. The chairman shall convene a meeting within 15 business days of that request.
- 2.12 A quorum for the meeting shall be two (2) committee members present.
- 2.13 Should the chairman be absent, the committee members present shall elect a committee member present to act as chairman for the meeting.
- 2.14 Each committee member present has one vote, and all resolutions shall be decided by a majority of votes cast by those committee members present.
- 2.15 Where a deadlock occurs, the Chairman shall have the deciding vote. A member acting as chairman in the chairman's absence does not have a deciding vote.
- 2.16 Other parties such as the external auditor, the CEO and the CFO may be invited to attend committee meetings from time to time.

3 DUTIES & RESPONSIBILITIES

- 3.1 The duties and responsibilities of the committee shall be determined both by the Board, and the committee itself when determining its annual agenda, but are expected to generally include the following areas.

Risk Management

The committee's duties and responsibilities are to:

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- 3.2 Ensure the implementation of a risk management framework and strategy.
- 3.3 Ensure the implementation of a risk management plan by which risks to the Company are identified, managed, and reported.
- 3.4 Review and assess the risk management policies, procedures and systems already in place to ensure their ongoing effectiveness, including subsequently recommending and reporting to the Board any changes required.
- 3.5 Review any course of action taken when risks are identified, and satisfying itself that actions taken are sufficient, and report or investigate further any ongoing inadequacies identified.
- 3.6 Oversee the implementation of any changes recommended by the Board to any risk management policies, procedures and systems.
- 3.7 Oversee business continuity planning and risk mitigation arrangements.
- 3.8 Regularly, but at least annually, review the group's insurances, and insurable risk register.
- 3.9 Independently review and assess both management's and the Board's overall risk management of the group.

Internal Audit

The committee's duties and responsibilities are to:

- 3.10 Determine the need for an internal audit programme.
- 3.11 Where an internal audit programme is in operation:
 - Determine the scope and requirements of the internal audit plan;
 - Determine the financial budget and personnel resourcing required to achieve the outcomes necessary;
 - Approve the appointment of anyone as an internal auditor (or anyone tasked with responsibility for completing the internal audit programme);
 - Review the internal audit plan developed by the internal auditor (or anyone tasked with responsibility for completing the internal audit programme) to ensure it adequately addresses industry and Company specific issues and weaknesses, the internal controls in place, and the risk appetite and risk profile of the Company as determined by the Board; and
 - Review the outcome of the internal audit programme, and report the outcome and finding to the Board, including recommending changes required where issues or risks have been identified.

External Audit

The committee's duties and responsibilities are to:

- 3.12 Recommend to the Board the appointment or removal of the external auditor, including recommending any policies regarding rotation and the maximum terms of reappointments.
- 3.13 Review any non-audit services currently or previously provided by the external auditor to ensure the required level of independence is maintained.
- 3.14 Review the terms of engagement of any proposed appointment, including proposed fees.
- 3.15 Review the scope of the external audit to ensure it will ensure the financial statements are free from any material error or misstatement, and adequately considers Company specific internal controls, findings of any internal audit, and recent changes in the Company or the industry.
- 3.16 Ensure the external auditor and internal auditor (or anyone tasked with responsibility for completing the internal audit programme) coordinate and communicate prior to the external auditor developing the external audit plan and scope, including reviewing and assessing the level of coordination.
- 3.17 Review the external audit report once received, assess any recommendations made or weaknesses identified, and report the findings of the external auditor and the committee's recommendations to address the recommendations made or weaknesses identified to the Board.
- 3.18 Review and assess management and the Board's subsequent response to the findings of the external audit report.
- 3.19 Throughout, and upon the conclusion of the external audit, assess and evaluate the performance and effectiveness of the external auditor.
- 3.20 Meet with the external auditor at times throughout the financial year, without any members of management present, to discuss matters such as the impact of any changes in accounting policies, quality of the group's accounting, internal audit and internal controls, and any other matters deemed appropriate.

Financial Statements & Reports

The committee's duties and responsibilities are to:

- 3.21 Review and recommend for approval by the Board, any financial statements, financial and annual reports, or any publication which contains financial statements or significant financial information, prior to release to the ASX or publication to shareholders or potential investors.

- 3.22 Review and assess the adequacy and effectiveness of all internal controls, policies and procedures as they relate to the preparation and presentation of the group's financial statements and reports, including review and recommend for approval by the Board, any statement or publication which refers to the internal controls of the group.
- 3.23 Review any disclosures, provisions, estimates, accruals, subjective applications of accounting treatments, compliance with tax and tax treatments, related party disclosures, or any other judgement or classification which may materially affect the financial statements or certification by the Board or management.
- 3.24 Review any changes to the group's accounting or financial policies, procedures and requirements, including assessing and evaluating any subsequent outcomes or effects of the change on the group's financial statements and reports.

Financial, Legal and Regulatory Compliance

The committee's duties and responsibilities are to:

- 3.25 Review and assess the policies, procedures and systems already in place to ensure their ongoing ability to ensure the Company remains compliant with all financial, legal, regulatory and ASX requirements.
- 3.26 Review any reports provided by management which raise issues or matters which could have an impact of the group's compliance requirements.
- 3.27 Review and remain updated by the Company's Internal Counsel regarding:
- Any material litigation pending or in progress;
 - Any material matters resulting from the group's Whistleblower Policy, or Code of Conduct; or
 - Any matter regarding the group's ongoing legal compliance.

4 POWERS

- 4.1 In the course of discharging its duties in accordance with this charter, the committee may:
- Compel the attendance of any employee or director of the group to appear before the committee and answer any questions or provide any information required;
 - Have unrestricted access to any report, document, information or material in the possession of any employee or director of the group;

- Conduct any investigation or review of any aspect of the Company's operations or conduct;
- Request the assistance of, or require something to be done by, any employee or director of the group;
- Commit the Board to any recommendation or decision made by the committee for matters relating to the appointment, oversight, remuneration and replacement of the external auditors;
- At the Company's expense, engage any independent legal or professional advice necessary for it to perform its duties; or
- Any other thing it deems reasonably necessary in order to perform its duties.

- 4.2 Subject to any legal requirement or restriction to the contrary, when directed by the committee in accordance with clause 4.1 above, all employees and directors must comply with any request. Failure to do so shall be considered a material breach of their conditions of employment, and individuals will be subject to disciplinary action, including potential termination of employment.

5 ENTITLEMENT TO RELY ON INFORMATION

- 5.1 In discharging their duties, the committee is not required to audit information provided by executive directors, managers, internal counsels, or external professional advisors on matters within their direct responsibility or expertise, provided the committee is not aware of any reasonable grounds upon which to question reliance, and no law or regulation prohibits reliance or requires audit or review.

6 REVIEW

- 6.1 As this Charter provides for review and oversight of aspects of the operation and conduct of the Board by a majority of independent directors, the committee has responsibility for ensuring its compliance with this Charter, and should review it regularly to ensure it remains compliant and performing in line with expectations and requirements.
- 6.2 The Board, in conjunction with the committee, should also review this Charter regularly to ensure it remains in force, up-to-date, and aligned with current best practices.