



**AMA GROUP LIMITED**  
**ACN 113 883 560**  
**Audit & Risk Committee Charter**

## **Audit & Risk Committee (Committee) Charter**

### **Purpose**

The Committee is appointed by the Board of Directors to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to corporate reporting processes, including the financial reporting process, risk management and internal control, external audit, internal audit and compliance (including the code of conduct).

### **Authority**

The Board authorises the Committee, within its scope of responsibilities, to perform the activities identified within this charter

### **Responsibilities**

The Committee will carry out the following responsibilities:

#### ***Corporate Reporting***

- Review the half year (if relevant) and annual financial statements presented by management, together with reports and opinions from the external auditor
- Review significant accounting and reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern
- Review recent regulatory and professional pronouncements and understand their impact on the financial statements
- Review the results of the audit with the external auditor, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with management
- Review the appropriateness of disclosures in the financial statements and financial reports
- Review management representations, including the CEO and CFO declarations regarding the financial report and financial records
- Recommend to the Board whether the relevant financial reports should be approved, based on review of the financial statements, note disclosures and other information
- Review management's process for ensuring that information contained in analyst briefings, investor presentations and press announcements is consistent with published financial information, and is balanced and transparent.

#### ***External audit***

- Assess the quality and effectiveness of the audit conducted and evaluate performance of the auditor
- Provide a recommendation to the Board on the selection, appointment, re-appointment or replacement of the external auditor and rotation of the engagement partner
- Review with the external auditor the scope and terms of the audit and the audit fee including a review of non-audit services provided by the external auditor
- Review the audit plan for coverage of material risks and financial reporting requirements
- Monitor and review auditor independence and objectivity
- Review reports from the external auditors (including auditor's reports, closing reports and management letters)
- Discuss with the external auditors matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.

#### ***Internal audit***

- Assessing and determination of whether an internal audit function is required.
- On the basis of implementation of an internal audit function:
  - Assess the overall effectiveness and evaluate performance of the internal audit function

- Review and approve the internal audit charter
- Review and approve the internal audit plan
- Review reports of results of internal audit engagements, audit-related activities.

***Risk management, fraud and internal control***

- Consider the impact of the entity’s culture on risk management and internal control
- Review the effectiveness of processes for identifying the entity’s risks and the appropriateness of the risk management procedures to maintain activities within the Board’s risk appetite
- Review disclosures in the annual corporate governance statement in relation to the recognition and management of business risks
- Enquire of management, the internal auditor and the external auditor whether they are aware of any actual, suspected or alleged fraud or corruption affecting the entity and how they responded to such instances.

***Compliance and ethics***

- Consider the impact of the entity’s culture on compliance processes
- Review the effectiveness of the entity’s systems, policies and practices that relate to compliance with laws, regulations, internal policies and accounting standards
- Review and monitor related party transactions
- Discuss with management whether all regulatory compliance matters of the entity have been considered in the preparation of the financial statements, such as compliance with accounting standards and the requirement for the financial statements to reflect a ‘true and fair’ view.

***Other responsibilities***

Perform other activities related to this charter as requested by the Board.

***Membership***

The Committee will consist of not less than three Members a majority of which shall be independent Non-Executive Directors. In addition, the Committee will comprise members, who are financially literate and who between them, have sufficient and appropriate accounting and financial expertise and understanding of the industry in which it operates, to be able to discharge its mandate effectively.

The Chairman of the Committee shall, to the extent possible, be an independent Non-Executive Director and who is not the Chair of the Board.

The Company Secretary will be the Secretary of the Committee.

**Meetings**

The Committee will meet at least 3 times a year or more frequently as necessary.

A quorum for a Committee meeting will be a majority of Committee members.

***Meeting attendance by non-members***

All Directors may attend Committee meetings, subject to exclusion as deemed appropriate by the Committee Chair from time to time.

***Invitees***

- The CFO will attend Committee meetings.
- The external auditor may be invited to attend meetings of the Committee.
- Management may be invited to present at Committee meetings on relevant matters.
- The Committee must meet with the external Auditor, without management present, at least once a year.

**Reporting**

The Committee will report regularly to the Board about Committee activities and make appropriate recommendations.

**Review**

The Committee will:

- Conduct an annual review of its performance and effectiveness; and
- Every two years review the terms of the Committee Charter.