

**HIPAGES GROUP HOLDINGS LTD
ACN 644 430 839**

(the Company)

AUDIT AND RISK COMMITTEE CHARTER

ADOPTED ON 21 OCTOBER 2020

1. GENERAL

The board of the Company (**Board**) has established the Audit and Risk Committee (**Committee**), with the powers as set out in this Charter and as delegated in accordance with rule 8.1 of the Company's Constitution.

The Audit and Risk Committee Charter will be reviewed regularly. Any proposed changes will be recommended to the Board for approval.

2. THE PURPOSE AND ROLE OF THE COMMITTEE

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for risk management and compliance, financial and corporate reporting and audit matters. The Board retains ultimate responsibility for these matters.

The Committee will, in discharging its duties, seek to co-ordinate its activities with the Remuneration and Nominations Committee where appropriate. The Chairperson of the Committee must liaise with the Chairperson of the Remuneration and Nominations Committee on an ongoing basis to ensure that no material matter is overlooked by the two Committees.

The Committee may delegate all or a portion of its responsibilities to a subcommittee of the Committee.

3. COMPOSITION OF THE COMMITTEE

The Committee will consist of a minimum of three members of the Board.

The Committee will consist of only non-executive Directors, a majority of whom are independent (as assessed by the Board in accordance with the Board Charter).

The Chairperson of the Committee will be an independent non-executive Director. The office of Chairperson of the Committee will not be occupied by the Chairperson of the Board.

Members of the committee will, between them, have financial and accounting experience, technical knowledge and an understanding of the industries in which the Company operates.

The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

The Board will review the membership of the Committee at least annually.

A member of the Committee may, with the approval of the Chairperson of the Committee and at the Company's expense, attend seminars or training courses in respect of issues related to the functions and responsibilities of the Committee.

The secretary of the Committee will be the Company Secretary.

4. **MEETINGS OF THE COMMITTEE**

The Committee will meet at least four times annually, and more frequently if it is deemed necessary to fulfil its role.

The Committee may invite any person to attend all or part of a meeting of the Committee. The Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and other managers will be invited as required.

The Board will disclose in the Company's Annual Report the number of times the committee met throughout the relevant reporting period and the individual attendances of the members of the Committee at the meetings held throughout the period.

The quorum is two members of the Committee.

Any member may, and the Company Secretary will upon request from any member, convene a meeting of the Committee.

Notice will be given to every member of the Committee, of every meeting of the Committee, at the member's advised address for service of notice (or such other pre-notified interim address where relevant).

The Company Secretary will attend all Committee meetings to take minutes. All minutes of the Committee must be entered into a minute book.

Directors (who are not members of the Committee) may attend meetings of the Committee.

5. **REPORTING**

The Chairperson of the Committee will report on the actions and recommendations of the Committee to the Board at the next Board meeting following a meeting of the Committee. All Directors will be permitted, during a Board meeting, to request information from the Chairperson of the Committee or members of the Committee.

6. **AUTHORITY AND ACCESS**

In carrying out its responsibilities, the Committee:

- (a) will have access to the company records and any other document, report, material or information in the possession of an employee or external adviser of the Company, as reasonably necessary to perform its functions; and
- (b) may invite an employee, the external auditor or any other person to attend a meeting of the Committee, including without management present for the purpose of seeking explanations and additional information from a person.

The Committee may seek the advice of independent advisers on any matter relating to the powers, duties or responsibilities of the Committee.

The Committee may initiate special investigations as it sees fit, or as directed by the Board, in relation to matters set out in this Charter.

7. **RESPONSIBILITIES OF THE COMMITTEE**

7.1 **Risk management and compliance**

In the area of risk management and compliance, the key responsibilities of the Committee are to:

- (a) review and evaluate and monitor, by receiving reports from management, the adequacy and effectiveness of:-
 - (i) the management reporting and control systems used to monitor adherence to policies and guidelines and the Company's delegated authority framework and limits;
 - (ii) the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and the external auditor;
 - (iii) the structure and adequacy of the Company's own insurances on an annual basis;
 - (iv) internal audit or controls and systems to identify and manage business risks;
 - (v) processes to identify and manage any material exposure to economic, environmental and social sustainability risks; and
- (b) arrange for management to report to the Board on whether the Company's material business risks (including any sustainability risks, but excluding those risks which are included as responsibilities in the Charters of other Board Committees) are being managed effectively;
- (c) evaluate, by receiving reports from management, the Company's exposure to fraud and oversee investigations of allegations of material or systemic fraud or malfeasance;
- (d) review and evaluate, by receiving reports from management, the procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices, and the environment) and the Company's own codes of conduct (but excluding those which are included as responsibilities in the Charters of other Board Committees);
- (e) review the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, *Corporations Act 2001* (Cth) and AASB requirements);
- (f) ensure management establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters;
- (g) review management processes supporting external reporting, and any complaints or concerns raised internally regarding business conduct matters, financial or accounting processes and practices;
- (h) review the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards;
- (i) review and discuss with management and the external auditor the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs; and
- (j) receive reports, at least every three years, on an external review of the Company's risk management program undertaken by a suitably qualified consulting organisation, together with management's responses to that review.

7.2 **Financial and corporate reporting**

In the area of financial and corporate reporting, the responsibilities of the Committee are to:

- (a) oversee the Company's financial and corporate reporting and disclosure processes (recognising that specific matters relating to continuous disclosure are to be considered in the manner contemplated by the Company's Continuous Disclosure Policy);
- (b) assist the Board in determining the reliability and integrity of accounting policies and financial reporting and disclosure practices;
- (c) approve the Company's accounting policies and principles that are required to be reported in the notes to the financial statements (**Policies**) and changes to the Policies, review and assess the appropriateness of those Policies, including conformance with relevant accounting and reporting standards and, where appropriate (without limiting the Committee's powers to approve accounting policies and settle interpretation of accounting policies and standards), referring material changes to the Board;
- (d) review the process implemented to support the certifications to be provided by the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer in respect of the Company's financial reports and the related certifications in respect of risk management and internal control, and ensure appropriate disclosure of such processes (where required) in materials released on ASX;
- (e) review all financial statements and reports which are required to be published and/or signed by directors prior to approval by the Board. The review of financial statements and reports should include a discussion with the external auditor of accounting issues, accounting policies adopted and the proposed audit (or review) report. Subject always to ultimate Board approval of the published financial statements, the Committee has authority to approve accounting issues raised, review and interpret accounting policies adopted and the proposed audit (or review) report;
- (f) review the annual report, directors' report (excluding the Remuneration Report) and any other report of management which is required by law to accompany any published financial statements (to the extent that such a report discusses the financial position or performance) before approval by the Board, including assessing whether the Company's external reporting is consistent with the Committee members' information and knowledge, and is adequate for shareholder needs;
- (g) review any statements or commentary to be released to ASX to accompany the half year or annual financial statements;
- (h) ensure that procedures are in place which are designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management; and
- (i) review and monitor related party transactions and assess their propriety.

7.3 **Audit**

In the area of audit, the responsibilities of the Committee are to:

- (a) make recommendations to the Board on the appointment, reappointment or replacement of the external auditor;

- (b) review and agree with the external auditor the terms of engagement for the external auditor, including fees;
- (c) oversee arrangements relating to the rotation of the audit engagement partner;
- (d) establish the scope of the audit for Board approval;
- (e) monitor the effectiveness of the external audit, placing emphasis on areas where the Committee or the external auditor believes special attention is necessary;
- (f) review the performance and effectiveness of the external auditor after the completion of each end-of-year audit. In evaluating the external auditor, the Committee will consider:
 - (i) the comprehensiveness of the external audit plan;
 - (ii) the timeliness and quality of communications promised under the plan and those delivered during the audit;
 - (iii) the competency and industry knowledge of the external audit staff; and
 - (iv) the adequacy and availability of resources to achieve the scope of work outlined in the external audit plan;
- (g) develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy; and
- (h) provide advice and an annual report to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's annual report.

8. **LIMITATION OF RESPONSIBILITIES**

The Committee does not have responsibility for the matters that are set out in the Board Charter, although the Chairperson of the Committee must liaise with the Chairperson of the Board on an ongoing basis to ensure that no material matter is overlooked by the two bodies.

The Committee's principal function is one of review, oversight and monitoring. Without limiting the Committee's duties as described in this Charter, neither the Committee, as a committee, nor any member of it by virtue of being a member, has the duty to actively seek out activities occurring within the Group that are not compliant with the Group's policies and procedures, although they have a duty to act promptly if any such activity comes to their attention.

The Committee's role does not extend to risk management in respect to the responsibilities of the Remuneration and Nominations Committee.

The Committee:

- (a) is not required to personally conduct accounting reviews or audits; and
- (b) is entitled to rely on employees of the Company or professional advisers or consultants engaged by the Committee or the Company where:

- (i) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
- (ii) the reliance was made in good faith and after making an independent assessment of the information.

VERSION CONTROL - AUDIT AND RISK COMMITTEE CHARTER	
Date	Action
21 October 2020	Adopted by the Board
6 November 2020	Minor changes to section 5.

