



AssetOwl Limited

ACN 122 727 342

**Audit and Risk Committee
Charter**

Function and Purpose

The Audit and Risk Committee provides advice and assistance to the Board in fulfilling the Board's responsibilities relating to:

- The Company's financial statements;
- Financial and market reporting processes;
- Internal accounting and financial control systems;
- Internal control;
- Risk management and controls
- External audit; and
- Such other matters as the Board may request from time to time.

Membership and Composition

The minimum number of members required on the Committee is three.

At least one member of the Committee must be a Non-Executive Director of the Board.

The Company will strive to constitute the committee with a majority of independent directors, with the Chair of the Committee being an independent Director, nominated by the Board, who is not the Chairman of the Board.

All Committee members shall be financially literate and hold sufficient business, industry and/or financial experience to act effectively.

The Company Secretary can be a member of the Committee.

Responsibilities

The Committee is formed by the Board to promote an environment within the Company which is consistent with best practice financial reporting. To support this, the Committee must oversee the following:

- the adequacy and effectiveness of the Company's accounting and financial policies and controls, including periodic discussions with management and external auditors, seeking assurance of compliance with relevant regulatory and statutory requirements; and
- the Company's financial reporting process and reports on the results of its activities to the Board. Specifically, the Committee reviews with management and the external auditor, the Company's annual and interim financial statements and reports to Shareholders, seeking assurance that the external auditor is satisfied with the disclosures and content of those financial statements.

It is the Board's responsibility to appoint the external auditor. Candidates for the position of external auditor must be able to demonstrate independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis. The Committee reviews the performance of the external auditor annually, and can recommend to the Board any changes to the selection it deems appropriate

Once appointed, it is the responsibility of the Committee to discuss with the external auditors the overall scope and plans for their audit activities, including staffing, contractual arrangements and fees. It reviews all audit reports provided by the external auditor. The Committee also specifically reviews any proposed activity or service by the providers of the external audit unrelated to external audit assurance activities.

Where appropriate, the Committee examines the adequacy of the nature, extent and effectiveness of the internal control processes of the Company.

The Board is responsible for overseeing the risk management framework of the Company. However the Committee considers the risk implications of all matters it considers, and ensures these are reflected in the overall risk management activities of the Company.

Processes

The Committee maintains free and open communications with the external auditors and the Board. The Committee regularly meets with the external auditors without representatives of management to discuss the adequacy of the Company's disclosures and policies, and to satisfy itself regarding the external auditor's independence from management.

The Committee shall meet as frequently as required to undertake its role effectively and properly. This shall be no less than twice a year. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the Minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

In exercising its role, the Committee may investigate any matter it considers relevant to its charter or relating to its role and scope. For this purpose, the Committee has full access to the Company's records, personnel and external support as required and deemed appropriate.

The Committee reviews, and may recommend to the Board, any necessary action required to maintain or improve the overall quality of the Company's financial reporting and practices.

The Committee reviews and reassesses this Charter at least annually, and recommends any changes it considers appropriate to the Board.

The Committee may undertake any other special duties as requested by the Board.