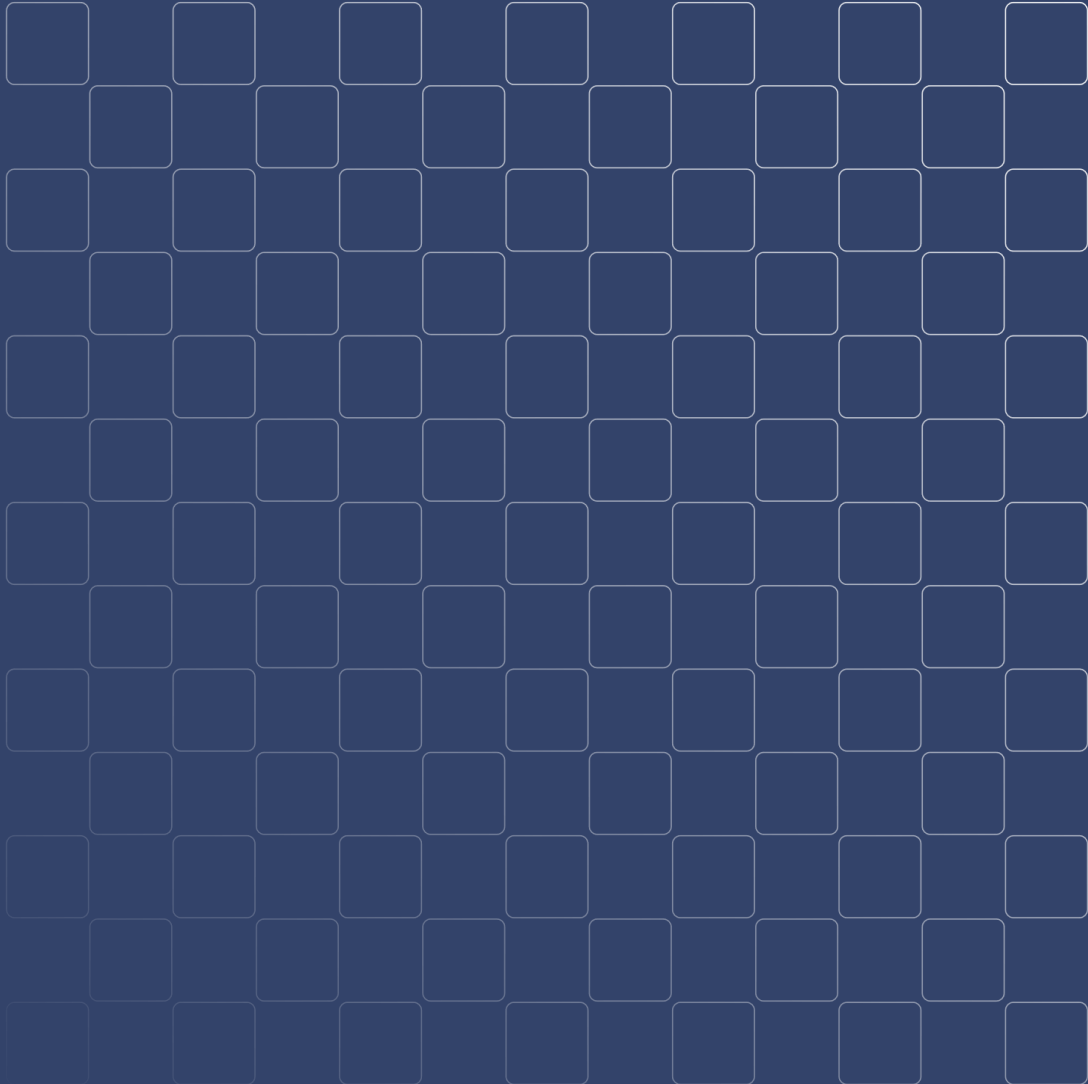


Audit, Risk and Compliance Committee Charter

Qualitas Limited ACN 655 057 588 (Company)



Contents

1	Introduction	2
2	Objective	2
3	External financial reporting	3
4	Risk management and internal control	3
5	External audit	4
6	Internal audit	5
7	Group audit committees	5
8	Other responsibilities	5
9	Audit, Risk and Compliance Committee composition	6
10	Audit, Risk and Compliance Committee meetings	7
11	Minutes of Audit, Risk and Compliance Committee meetings	7
12	Reporting to the Board	7
13	Access to information and independent advice	8
14	Delegation	8
15	Review of Charter	8

1 Introduction

- a. The Audit, Risk and Compliance Committee is a committee of the board of directors of Qualitas Limited ACN 655 057 588 (**Company**).
- b. The board of the Company (**Board**) established the Audit, Risk and Compliance Committee under the Company's constitution.
- c. This charter sets out the scope of the Audit, Risk and Compliance Committee's responsibilities in relation to the Company and its related bodies corporate (**Group**).
- d. The role of the Audit, Risk and Compliance Committee is not an executive role.

2 Objective

The objectives of the Audit, Risk and Compliance Committee are to:

- a. assist the Board achieve its objective in relation to:
 - i. reviewing the integrity of the Company's management and financial reporting and disclosures and the Company's auditing, accounting and financial reporting processes;
 - ii. monitoring compliance with relevant laws and regulations;
 - iii. reviewing the effectiveness of the risk management framework incorporating management, operational and financial controls; and
 - iv. facilitating high standards of business ethics and corporate governance through oversight of the Company's business policies and practices; and
- b. The Committee will also endeavour to:
 - i. oversee the maintenance and improvement of the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
 - ii. promote a culture of compliance and ensure compliance strategies and the compliance function are effective;
 - iii. oversee the maintenance and improvement of an effective risk management framework;
 - iv. ensure effective communication between the Board and the senior financial, risk and compliance management;
 - v. ensure effective and efficient internal and external audit functions and communication between the Board and the external and internal auditors;
 - vi. monitor the Company's adherence to the Code of Conduct adopted by the Board as amended from time to time; and
 - vii. ensure effective communication to regulators and other stakeholders.
- c. In fulfilling its responsibilities, the Committee will:
 - i. Receive reports from management;
 - ii. Maintain a dialogue with the Chief Financial Officer, Chief Risk Officer, General Counsel and any other relevant members of management; and
 - iii. Periodically meet with the external and internal auditors.

3 External financial reporting

The Audit, Risk and Compliance Committee is responsible for:

- a. assessing the appropriateness and application of the Group's accounting policies and principles and any changes to them, so that they accord with the applicable financial reporting framework;
- b. obtaining an independent judgment from the external auditor about:
 - i. the acceptability and appropriateness of accounting policies and principles put forward by management; and
 - ii. the clarity of current or proposed financial disclosure practices as put forward by management;
- c. assessing any significant estimates or judgments in the financial reports (including those in any consolidated financial statements) by:
 - i. querying management as to how they were made; and
 - ii. querying the external auditors as to how they concluded that those estimates were reasonable;
- d. reviewing compliance with all related party disclosures required (where applicable) by accounting standards and the *Corporations Act 2001* (Cth) (**Corporations Act**);
- e. assessing information from internal and external auditors that may affect the quality of financial reports (for example, actual and potential material audit adjustments, financial report disclosures, non-compliance with laws and regulations, and internal control issues);
- f. assessing whether the resources devoted to the finance function are adequate to ensure that financial reporting is of high quality and to advise the Board of any identified shortcomings;
- g. receiving from management confirmation that the integrity of financial reports is based on a sound system of risk management, internal control and compliance required by both section 295A of the Corporations Act and Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations (4th edition);
- h. reviewing any half-yearly and annual financial reports (including those prepared on a consolidated basis) with management, advisers and the internal and external auditors (as appropriate) to assess (among other things):
 - i. the compliance of accounts with accounting standards and the Corporations Act; and
 - ii. the nature and impact of any changes in accounting policies during the applicable period;
- i. discussing any draft audit opinion letter with the external auditors before it is finalised;
- j. receiving any management letter from the external auditors;
- k. recommending for adoption by the Board interim and final financial reports and the annual report;
- l. reviewing documents and reports to regulators and recommending to the Board their approval or amendment; and
- m. following up on any matter raised by the Board regarding financial reports, audit opinions and management letters.

4 Risk management and internal control

The Audit, Risk and Compliance Committee is responsible for:

Risk management and internal control and compliance systems

- a. overseeing the establishment and implementation of risk management framework, risk appetite statement and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems; and

- b. approving and recommending to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - i. identifying, assessing, monitoring and managing risk; and
 - ii. disclosing any material change to the risk profile;
- c. regularly reviewing the risk profile incorporating key strategic, financial, legal, reputational and operational risks and the approaches to mitigating and managing those risks;
- d. reviewing contemporary and emerging risks with management and the approaches to mitigating and managing those risks;
- e. regularly reviewing and approving policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - i. identifying, assessing, monitoring and managing risk; and
 - ii. disclosing any material change to the Group's risk profile;
- f. monitoring the adequacy and effectiveness of the internal risk control system with management and internal and external auditors;
- g. assessing if management has controls in place for unusual transactions and any potential transactions that may carry more than an acceptable degree of risk.

Disclosure and reporting

- h. ensuring management establishes a comprehensive process to capture information that must be disclosed to the ASX;
- i. reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the external reporting of financial and non-financial information (including, among other things, preliminary announcements, interim reporting, open or one-on-one briefings and continuous disclosure);
- j. assessing management's processes for ensuring non-financial information in documents (both public and internal) does not conflict inappropriately with financial reports and other documents;
- k. assessing internal control systems relating to the release of potentially adverse information; and
- l. reviewing for completeness and accuracy the reporting of corporate governance practices in accordance with the ASX Listing Rules.

5 External audit

The Audit, Risk and Compliance Committee is responsible for:

- a. approving and recommending to the Board for acceptance, the terms of engagement with the external auditor at the beginning of each year;
- b. regularly reviewing with the external auditor:
 - i. the scope and adequacy of the external audit;
 - ii. identified risk areas; and
 - iii. any other agreed procedures;
- c. approving and recommending to the Board for adoption, policies and procedures for appointing or removing an external auditor, including criteria for:
 - i. technical and professional competency;
 - ii. adequacy of resources; and
 - iii. experience, integrity, objectivity and independence;
- d. recommending to the Board for approval, the appointment or removal of an external auditor based on those policies and procedures referred to in paragraph (c);
- e. reviewing and assessing on a regular basis the compliance of the external auditor with criteria referred to in paragraph (c);

- f. recommending to the Board the remuneration of the external auditor after gaining satisfaction that an effective audit can be delivered;
- g. regularly reviewing the effectiveness and independence of the external auditor taking into account appointment length, audit partner rotation, fees paid to the auditor and any other relevant matters;
- h. recommending to the Board for approval the types of non-audit services that the external auditor may provide without impairing or appearing to impair the external auditor's independence where the Committee delegations under paragraph 8(f) are exceeded;
- i. meeting periodically with the external auditors, reviewing and approving audit plans and inviting them to attend Audit, Risk and Compliance Committee meetings;
- j. monitoring and reporting to the Board on management's response to the external auditor's findings and recommendations;
- k. reviewing all representation letters signed by management and ensuring information provided is complete and appropriate;
- l. receiving and reviewing the reports of the external auditor; and
- m. meeting privately with the external auditor at least twice a year.

6 Internal audit

The Audit, Risk and Compliance Committee is responsible for:

- a. reviewing and approving the appointment or dismissal of the internal auditor (if any);
- b. overseeing and approving the scope of the internal audit work programme (if any);
- c. monitoring the progress of the internal audit work programme (if any) and considering the implications of the internal audit findings for the control environment;
- d. monitoring and reporting to the Board on management's responsiveness to any internal audit findings and recommendations; and
- e. reviewing the effectiveness of the internal auditor's work.

7 Group audit committees

The Audit, Risk and Compliance Committee is responsible for:

- a. reviewing and approving the charter of any committee dealing with audit, risk and compliance management and compliance within the Group; and
- b. receiving and reviewing reports from any such committee.

8 Other responsibilities

The Audit, Risk and Compliance Committee is responsible for:

- a. reviewing the Company's Tax Governance framework, receiving and reviewing reports from management in relation to the Company's dealings with the ATO and any other relevant tax matters;
- b. assessing and recommending to the Board for adoption the scope, cover and cost of insurance, including insurance relating to directors and officers liability, company reimbursement, professional indemnity, crime, and special accident liability;
- c. if it considers appropriate, investigating any complaint or allegation made to it;
- d. reporting to the Board on any industry development affecting the control environment;

- e. reviewing and monitoring any related party transaction and recommending its approval;
- f. reviewing and approving any non-audit services proposed to be received from the external auditor where a single engagement exceeds a fee of \$25,000. The chairperson of the Committee can approve single engagement services for fee amounts between \$15,000 and \$25,000. Single services where the fee is less than \$15,000 do not require Committee or Committee chairperson approval. The approvals in this section cease to apply where the cumulative committed spend on non-audit services from the external auditor in a 12-month period is more than \$100,000;
- g. ensuring the audit, risk management and compliance policies and procedures are adequately documented and that those documents are reviewed and updated for any legal and regulatory developments; and
- h. maintaining open communication channels among the Committee, management and internal and external advisers in order to review and discuss specific issues, exchange views and information and confirm respective duties and responsibilities as appropriate.

9 Audit, Risk and Compliance Committee composition

- 9.1 Subject to section 9.2, the Audit, Risk and Compliance Committee should comprise:
- a. at least three directors;
 - b. all non-executive directors who are financially literate and at least one of whom is financially qualified and competent; and
 - c. a majority of independent directors.
- 9.2 While the Company will aim to have an Audit, Risk and Compliance Committee of the size and composition outlined in section 9.1 above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Audit, Risk and Compliance Committee from time to time.
- 9.3 The Board will appoint the chairperson of the Audit, Risk and Compliance Committee. The chairperson should be an independent director and may not be the chairperson of the Board, subject to section 9.2.
- 9.4 The Audit, Risk and Compliance Committee will appoint a secretary.
- 9.5 The Audit, Risk and Compliance Committee must be of sufficient size, independence and technical expertise to effectively discharge its mandate.
- 9.6 Each member of the Audit, Risk and Compliance Committee should have an understanding of the industry in which the Group operates.
- 9.7 The Board will decide appointments, rotations and resignations within the Audit, Risk and Compliance Committee having regard to the ASX Listing Rules and the Corporations Act.
- 9.8 A member may act by their alternate.

10 Audit, Risk and Compliance Committee meetings

- 10.1 The Audit, Risk and Compliance Committee will meet as often as it considers necessary but a minimum of four times a year.
- 10.2 A quorum for an Audit, Risk and Compliance Committee meeting is two Audit, Risk and Compliance Committee members.
- 10.3 Audit, Risk and Compliance Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 10.4 The Audit, Risk and Compliance Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in the Company's constitution or equivalent.
- 10.5 The Audit, Risk and Compliance Committee may invite other persons it regards appropriate to attend Audit, Risk and Compliance Committee meetings.

11 Minutes of Audit, Risk and Compliance Committee meetings

- 11.1 The Audit, Risk and Compliance Committee must keep minutes of its meetings.
- 11.2 Minutes of each Audit, Risk and Compliance Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Audit, Risk and Compliance Committee, except if there is a conflict of interest or duty.
- 11.3 Minutes must be distributed to all Audit, Risk and Compliance Committee members, after the Audit, Risk and Compliance Committee chairperson has approved them.
- 11.4 The agenda and supporting papers are available to directors upon request to the Audit, Risk and Compliance Committee secretary, except if there is a conflict of interest.

12 Reporting to the Board

The Audit, Risk and Compliance Committee chairperson must report the Audit, Risk and Compliance Committee's findings to the Board after each Audit, Risk and Compliance Committee meeting.

13 Access to information and independent advice

- 13.1 The Audit, Risk and Compliance Committee may seek any information it considers necessary to fulfil its responsibilities.
- 13.2 The Audit, Risk and Compliance Committee has access to:
- a. management to seek explanations and information from management; and
 - b. internal and external auditors to seek explanations and information from them, without management being present.
- 13.3 The Audit, Risk and Compliance Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost. The Audit, Risk and Compliance Committee may meet with these external advisers without management being present.

14 Delegation

- 14.1 The Committee may, in its discretion, delegate some or all of its responsibilities to the Committee Chair, Chair of the Board, sub-Committee of the Committee, the Group Managing Director or the Chief Financial Officer.

15 Review of Charter

The Committee will review this charter every two years or as often as it considers necessary. The Board may make changes to this Charter from time to time by resolution on the recommendation of the Committee

This Charter was last approved by the Board and updated on 9 August, 2022.

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