

# MARETERRAM LIMITED

ACN 009 248 720

## AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

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This charter governs the operation of the Audit and Risk Management Committee (**Committee**).

The Committee meets at least twice annually, to discuss the financial statements with management and the independent auditor prior to the finalisation of the annual and half yearly reports, with further meetings on an as required basis.

At the discretion of the Committee Chair, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings or parts of meetings.

### **Purpose**

The purpose of the Committee is to provide assistance to the Board in fulfilling their oversight responsibility relating to:

- The integrity of the financial statements.
- The effectiveness of internal control over financial reporting.
- The independent auditor.
- The implementation of the Company's risk management program; and
- Any other matters that the Board may refer to the Audit and Risk Management Committee from time to time.

### **Duties and Responsibilities**

The following shall be the principal duties and responsibilities of the Committee:

#### External Audit

- In relation to the independent auditor the Committee is directly responsible for the appointment, compensation, rotation of the lead audit partner, retention of the audit firm and oversight of the work of the independent auditor. This shall include all audit and non audit services provided by the independent auditor. The independent auditor shall report directly to the Committee.
- Regular review with the independent auditor any audit problems or difficulties encountered during the audit including any restrictions on the scope of the independent auditors' activities or access to information.
- Meet to discuss the financial statements with management and the independent auditor prior to the finalisation of the annual and half yearly reports.

#### External Financial Reporting

- Review of the financial statements shall include:
  - Reviewing and considering issues regarding accounting policies and the substance and presentation of the financial statements.

- Discussing with management and the independent auditor significant financial reporting issues and judgments made in the preparation of the financial statements and the reasonableness of those judgments.
- Scrutinising the judgment of both management and the independent auditor about the quality of the accounting policies including any significant changes in their selection or application.
- Assessing whether external reporting is consistent with the Committee's information and knowledge.
- Ensuring the clarity of the disclosures in the annual and half yearly reports.
- Ensuring the CEO and CFO present a declaration consistent with s295A of the Corporations Act for each financial reporting period.

#### Related Party Transactions

- Review all related party transactions and discuss with management the business rationale for the transactions.

#### Internal Controls

- Review management's report on its assessment of the effectiveness of internal control over financial reporting at the end of each reporting year.
- Make recommendations for improvements (if any) in relation to the internal management and the financial controls of the Company.
- Evaluate the process DYL has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- Evaluate its own performance annually to determine if the Committee is functioning effectively. The process is to include a review of its charter. The approval of the Board is required for any amendment to the Committee charter.

#### Organisation

The Board of Directors shall appoint a Committee of at least three board members.

- The Committee shall initially be comprised of the full Board. The Company will review the committee composition and when practical will aim for a committee consisting of non-executive directors and the majority of which shall be independent directors
- The Committee shall be chaired by an independent director who is not Chair of the Board.
- Each member of the Committee shall be financially literate, and at least one will have relevant accounting qualifications and experience and some members should have an understanding of the industry in which the entity operates.
- The Committee may invite any such other persons to attend as it sees fit, and consult with other persons or seek any information it considers necessary to fulfil its responsibilities.
- Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. On-going conflicts of interest need not be declared at each meeting once acknowledged.

## **Committee Meetings**

- The Committee shall meet often as required but at least twice per year. The external auditors may request a meeting if they consider that one is necessary. Such a request is to be met.
- A quorum will be two (2) members
- In the Chair's absence from a meeting, the members of the Committee present at the meeting will select a Chair for that particular meeting.
- Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.
- The notice and agenda of meeting will include relevant supporting papers as appropriate.
- The Committee shall keep minutes of its meetings and shall report regularly to the Board with respect to its activities.
- The Audit Committee members may meet separately with the external audit provider to discuss issues of mutual interest.

## **Authority**

The Board authorises the Committee, through the Chair, to:

- seek any information it requires from:
  - any employee. All employees of DYL are directed to co-operate with any request made by the Committee, and
  - external parties.
- obtain outside legal or other independent professional advice with the agreement of the Chairman of the Board.

## **Voting**

Any matters requiring a decision will be decided by a majority of votes of members present.

## **Audit Committee Performance and Review**

The Audit Committee will evaluate its own performance annually to determine if the Committee is functioning effectively.

## **Charter Review**

The Committee will review their charter as required to provide assurance that it remains consistent with the Board's objectives and responsibilities.

Any amendments thereto will be passed to the full Board for approval. In addition the Board may initiate its own review of the charter.