



KYCKR LIMITED ACN 609 323 257 (Company)

Charter of the Audit and Risk Committee

1. Introduction

1.1 This Charter governs the roles, responsibilities, composition and membership of the Audit and Risk Committee (**ARC**) of the Company.

1.2 The operation of the ARC is also governed, where applicable, by the constitution of the Company.

2. Objectives

2.1 Audit

The purpose of the ARC is to assist the Board in fulfilling its corporate governance and oversight responsibilities by:

(1) monitoring and reviewing:

- (a) the integrity of financial statements;
- (b) the effectiveness of internal financial controls;
- (c) the independence, objectivity and competency of internal and external auditors; and
- (d) the policies on risk oversight and management; and

(2) making recommendations to the Board in relation to the appointment of external auditors and approving the remuneration and terms of their engagement.

Ultimate responsibility for the integrity of the Company's financial reporting rests with the Board notwithstanding the establishment of the ARC.

2.2 Risk Management

The purpose of the ARC is to also assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company.

Ultimate responsibility for risk oversight and risk management rests with the Board notwithstanding the establishment of the ARC.

3. Composition

3.1 Members

The ARC must only consist of non-executive directors. The ARC must have a minimum of three members, with the majority of members being Independent Directors.

The members of the ARC will be appointed and removed by the Board.

3.2 Expertise

Each member of the ARC must be able to read and understand financial statements.

The ARC must also include where available:



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(1) at least one member who is a qualified accountant or other professional with experience of financial and accounting matters; and

(2) some members who have an understanding of the industry in which the Company operates.

Members of the ARC must have an appropriate level of understanding of the principles of corporate governance, including knowledge of the ASX Recommendations.

3.3 Chair and Secretary

The Board will appoint an Independent Director as chair to the ARC. The Chair must not be the chair of the Board.

The company secretary of the Company will act as secretary of the ARC unless determined otherwise by the Board.

4. Meetings

4.1 Frequency

The ARC will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet twice a year. The Secretary must call a meeting of the ARC if requested to do so by any member of the ARC.

4.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to ARC members prior to each meeting. The Secretary must notify ARC members of the date, time and format of ARC meetings as far in advance as possible, but not less than two days before the meeting unless otherwise agreed.

4.3 Quorum

A quorum for ARC meetings will be at least two members, save that one of the members of the quorum must be an Independent Director.

4.4 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to ARC members as soon as practicable after the close of the meeting.

The minutes should either be included in the papers for the next full Board meeting after each ARC meeting or a verbal update be provided by the Chair at the next full Board meeting.

4.5 Attendance

The Chair of the ARC may invite any person to attend part or all of any meeting of the ARC as it considers appropriate. Voting at ARC meetings is restricted to ARC members. Any member of the Board may attend a meeting of the ARC as an invitee on request. The external auditor will be invited to attend ARC meetings to review the audit plan, discuss audit results and consider the implications of external audit findings.



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5. Powers

5.1 Access

The ARC has unrestricted access to management, internal and external auditors and all Company records for the purpose of carrying out its responsibilities under this Charter.

The ARC must be provided with all necessary access to any internal audit function without the presence of management and will meet with the internal auditor, if there is an internal audit function, in the absence of management, not less than once a year.

The ARC will meet with external auditors, in the absence of management, as often as required, but not less than once a year.

5.2 Investigations

The ARC has the power, without management present, to:

- (1) conduct any investigations;
- (2) seek explanations and additional information;
- (3) engage any independent experts; and
- (4) access any internal or external auditors,

that it considers necessary or requires to help it fulfill its duties. Costs associated with these investigations will be borne by the Company.

6. Responsibilities

6.1 Risk oversight and management policies

The ARC is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the ARC, management and any internal audit function.

The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of adequacy and effectiveness.

6.2 Risk management and risk profile

The ARC is responsible for:



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(1) maintaining an up-to-date understanding of areas where the Company is, or may be, exposed to risk and compliance issues and seek to ensure that management is effectively managing those issues, including:

- (a) non-compliance with laws, regulations, standards, and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws;
- (b) important judgments and accounting estimates;
- (c) litigation and claims;
- (d) fraud and theft; and
- (e) relevant business risks not dealt with by other Board committees;

(2) receiving reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to the Board at least annually;

(3) reviewing updates of the Company's Risk Register, which summarises the Company's key risks, mitigations, and any further actions required.

(4) reviewing the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance and reviewing the completeness and accuracy of the Company's main corporate governance practices as required by ASX Listing Rules;

(5) reviewing material documents and reports prepared for lodgement with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment;

(6) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;

(7) making recommendations to the Board on the appropriate risk and risk management reporting requirements to the Board and this ARC;

(8) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;

(9) meeting periodically with Senior Executives, internal and external auditors and other relevant persons to understand the Company's control environment;

(10) providing advice to the Board on relevant corporate level performance indicators and targets for risk management and compliance activities;

(11) undertaking an annual review of risk management policies and underlying strategies and procedures to ensure continued application and relevance;



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- (12) examining and evaluating the effectiveness of the internal control system with management and internal and external auditors;
- (13) if considered necessary by the ARC, establishing a periodic and independent review of the implementation and effectiveness of risk management policies to provide objective feedback to the Board as to effectiveness;
- (14) receiving and considering reports on risk management and compliance programs and performance against policy and strategic targets;
- (15) reviewing the adequacy of the Company's insurance coverage; and
- (16) examining any matters referred to it by the Board.

6.3 Internal audit function

The ARC is responsible for keeping under review whether an internal audit function should be established by the Company and if so, its terms of reference and reporting line(s).

6.4 External auditors

The responsibilities of the ARC include:

- (1) providing a link between the external auditors and the Board;
- (2) reviewing the performance and independence of the external auditors;
- (3) reviewing procedures for the selection and appointment of external auditors;
- (4) reviewing and providing recommendations on the rotation of external audit engagement partners;
- (5) recommending the appointment, remuneration and terms of engagement of the external auditors;
- (6) making recommendations to the Board on the removal of the external auditor;
- (7) reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (8) recommending the scope of the external audit, and any additional procedures with the external auditor, for Board approval;
- (9) reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;
- (10) reviewing and providing oversight of audit reports prepared and issued by the external auditors;
- (11) raising with the external auditor any specific points of divergence with the Company's management;



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(12) monitoring and examining management's response to the external auditor's findings and recommendations;

(13) ensuring that no management or other restrictions are placed on the external auditors; and

(14) reviewing what, if any, non-audit services are to be provided by the external auditor.

6.5 Review of financial reports

Duties of the ARC include:

(1) reviewing financial statements for accuracy, adequacy and clarity and ensuring they reflect a true and fair view as a basis for recommendation to and adoption by the Board;

(2) requiring the Chief Executive Officer and any Chief Financial Officer, Finance Director or other internal person responsible for maintaining the Company's financial records, to make signed and written declarations that:

- (a) the financial records for the financial year have been correctly maintained;
- (b) the financial statements and notes for the financial year comply with the relevant accounting standards;
- (c) the financial statements and notes for the financial year give a fair and true view of the financial position and performance of the Company; and
- (d) any other matters in relation to the financial statements that are materially relevant;

(3) reviewing financial statements for adherence to accounting standards and policies and the requirements of the ASX Listing Rules and the *Corporations Act 2001* (including continuous disclosure requirements);

(4) assessing significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments and seeking verification of those estimates from auditors;

(5) assessing information from auditors that affects the quality of financial reports;

(6) reviewing accounting policies adopted by the Company and any changes made to them;

(7) asking the external auditor for an independent judgment about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by the Company;

(8) reviewing management processes supporting compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information;

(9) discussing any significant matters arising from the audit, management judgments and accounting estimates with management and internal and external auditors if appropriate; and

(10) reviewing, and where necessary challenging, the actions and judgment of management in relation to all financial reports.



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6.6 Related party transactions

The ARC is responsible for reviewing and monitoring the propriety of related party transactions.

7. Reporting

7.1 Reporting to the Board

The ARC must report to the Board, at least once a year, on the following matters:

- (1) an assessment of whether external reporting is in line with the information and knowledge of the ARC and whether it is adequate for the needs of the Company's shareholders;
- (2) an assessment of the management processes which support external reporting;
- (3) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (4) assessment of the performance and independence of the external auditors and, where the external auditors provide non-audit services, whether the independence of the external auditors has been maintained; and
- (5) the results of the ARC's review of risk management and internal compliance and control systems: and
- (6) if there is an internal audit function:
 - (a) an assessment of the performance and objectivity of the internal audit function; and
 - (b) recommendations for the appointment or, if necessary, the dismissal of the head of internal audit.

7.2 Annual report

The ARC must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance statement of the Company's annual report which relates to the Company's audit policies and practices.

In addition, the following information must be included in the corporate governance statement in the Company's annual report:

- (1) the names and qualifications of those appointed to the ARC and their attendance at meetings of the ARC;
- (2) the number of meetings of the ARC;
- (3) an explanation of any departures from the ASX Recommendations;
- (4) whether the Board has received a report from management as to the effectiveness of the Company's management of its material business risks; and



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(5) whether the Board has received written assurances from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that in all material respects:

- (a) the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and
- (b) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

8. ARC's performance evaluation

8.1 The ARC will review its performance from time to time.

8.2 The performance evaluation will have regard to the extent to which the ARC has met its responsibilities in terms of this Charter.

9. Review of the Charter

This Charter shall be reviewed annually by the ARC, with any changes recommended to the Board for approval.

10. Public availability of materials

This Charter or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

11. Definitions

In this this Charter the following meanings apply:

- (1) ARC means the Company's Audit and Risk Committee;
- (2) ASX means the Australian Securities Exchange;
- (3) ASX Recommendations means the latest edition of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations;
- (4) Board means the board of directors of the Company;
- (5) Chair means the Director appointed by the Board as chair of the ARC;
- (6) Chief Executive Officer or CEO means the chief executive officer of the Company;
- (7) Chief Financial Officer or CFO means the chief financial officer of the Company (or equivalent, including the finance director);
- (8) Company means Kyckr Limited ACN 609 323 257 and, where the context requires it, all or any of its subsidiaries;



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(9) Director means a director of the Board of the Company;

(10) Independent Director means a Director who is regarded by the Board to be independent under the criteria set out in the Board Charter;

(11) **Secretary** means the company secretary appointed by the Board who acts as secretary to the ARC unless otherwise determined by the Board; and

(12) **Senior Executives** refers to the senior management team as distinct from the Board, being those individuals who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance and includes, as the context requires, any executive directors, the CEO, the CFO and other persons as determined by the Board from time to time. A list of those considered to be Senior Executives will be agreed by the Board periodically.

Approved by the Board – 15 December 2021.