



**AUDIT, RISK AND FINANCE COMMITTEE CHARTER**

**One Basin CRC Limited  
(ACN 660 665 305)**

**October 2022**

## ONE BASIN CRC LIMITED

### AUDIT, RISK AND FINANCE COMMITTEE CHARTER

#### 1. Introduction

- 1.1 The Audit, Risk and Finance Committee (Committee) is a committee of the Board of the One Basin CRC Limited (Company) that assists the Board to verify and safeguard the integrity of the Company's financial reporting and ensure that the Company adequately identifies and manages its risks.
- 1.2 It is responsible for making recommendations to the Board of Directors on the adequacy of external audit, internal audit, risk management, financial control, reporting and compliance procedures.
- 1.3 The objectives of the Committee reflect this important role and include the following:
- (a) assisting the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the Company's:
    - (i) reporting of financial information;
    - (ii) application of accounting policies;
    - (iii) tax planning and compliance;
    - (iv) preparation of budgets;
    - (v) internal control system;
    - (vi) cybersecurity matters;
    - (vii) compliance with laws and regulations; and
    - (viii) compliance with the Grant Agreement, Partner Agreements and any other contractual obligations.
  - (b) providing a formal forum for communication between the Board and senior financial management;
  - (c) assisting Board efficiency by delegating tasks to the Committee where such tasks should be discussed in sufficient depth;
  - (d) ensuring the effectiveness of the external audit and

communication with the Board; and

- (e) monitoring the independence of the external auditor.

## 2. **Duties and responsibilities**

2.1 The Committee is required to discharge the following duties:

### 2.2 External reporting

(a) report to the Board on:

- (i) the Annual Financial Reports, including Commonwealth reporting, and make recommendations to the Board for the adoption of these reports;
- (ii) the adequacy of the Committee Charter on an annual basis;
- (iii) the appropriateness of the Company's material accounting policies and principles;
- (iv) the reasonableness of significant estimates in the financial reports by making inquiries of management and the external auditor;
- (v) the appropriateness of the accounting principles used and financial disclosures in conjunction with the external auditor;
- (vi) the appropriateness of the Company's tax planning and compliance with tax law; and
- (vii) the Committee's response to complaints regarding accounting and auditing matters.

### 2.3 Internal control and risk management

(a) **Oversee and report to the Board on:**

- (i) the assumptions behind, and the general preparation of, the annual budget;
- (ii) internal processes for identifying and managing key risk areas, particularly:
  - a) important judgements and accounting estimates;

- b) business risk, including market risk and operational risk;
  - c) consideration of environmental, community and social risks; and
  - d) cybersecurity.
- (iii) adequacy of the Company's risk management systems and control systems with management and the external auditors;
  - (iv) the Company's risk profile (in relation to its risk appetite) and risk management; and
  - (v) processes the Company has in place for assessing internal controls, particularly those related to areas of significant risk.

#### 2.4 External audit

- (a) **Oversee and report to the Board and make recommendations on:**
  - (i) the appointment of the external auditor and the effectiveness and independence of the external auditor;
  - (ii) the external auditor's fee;
  - (iii) the terms of the engagement with the external auditor;
  - (iv) the scope of the external audit (particularly any identified risks) and any additional services;
  - (v) audit results and the implications of the external audit results on the control environment;
  - (vi) representation letters signed by management and the consistency of the content of those letters with the Committee's knowledge of those matters;
  - (vii) any significant disagreements with management; and
  - (viii) management's response to the external auditor's findings.

## 2.5 Compliance activities

- (a) On behalf of the Board we are delegated to oversight:
  - (i) the adequacy of the Company's compliance with its legal, regulatory and Commonwealth obligations;
  - (ii) the processes in place for ensuring changes to its legal, regulatory and Commonwealth obligations are managed;
  - (iii) the scope of compliance audit activities; and
  - (iv) the effectiveness of plans to address any gaps identified in the Company's compliance.

## 3. Complaints procedures

3.1 The Committee will respond to complaints regarding accounting and auditing matters. The complaints procedure will operate as follows:

- (a) complaints may be brought to the attention of the Committee by management through the Committee Chair. If the Committee Chair is the subject of the complaint, then through the Board Chair;
- (b) the Committee will determine the requirement for, and scope of, an investigation;
- (c) the Chief Operations Officer (COO) will investigate and report back to the Committee;
- (d) if the COO is the subject of the complaint or if the Committee in its discretion so decides, the Committee will appoint another person to carry out the investigations and report back to the Committee;
- (e) the Committee may request the external auditor to assist in the investigation; and
- (f) the Company Secretary will maintain a register of complaints and report to each Committee meeting the details of any complaints received and the status of any outstanding complaints.

#### **4. Meetings**

- 4.1 The Committee will meet as frequently as considered necessary by the Committee for it to discharge its role effectively. One of the meetings must be prior to the Board meeting at which the Annual Financial Reports are adopted.
- 4.2 The Chair of the Committee or the Chair of the Board may call a meeting of the Committee at any time, or if so requested by any member of the Committee.
- 4.3 A quorum will consist of two members in addition to the Chair.
- 4.4 The members of the Committee should meet with the external auditors without management personnel being present at least once per annum. Such meetings with the external auditors should address, among other things, whether the auditor has received co-operation from management and whether there have been any impediments to carrying out their audit.
- 4.5 The Committee may meet via any suitable medium.
- 4.6 Resolutions shall be passed by a majority of the members present.
- 4.7 To resolve some matters in a timely manner, the Chair may elect to conduct a resolution by way of out-of-session vote. A written proposal(s) will be circulated to members, usually by email and a time and date will be specified for responses to be returned. A resolution shall only be made if supported by a majority of members. Members will be advised promptly of the outcome of any out-of-session resolutions.
- 4.8 The Committee must hold a private meeting with the COO at least once per annum. The Committee requires that if the COO identifies a problem in relation to external reporting, internal control, the external audit or other related matters and is not supported by management, he or she has a responsibility to report this to the Committee. Any member of staff may request a private meeting with the Committee at any time.

#### **5. Committee Membership**

- 5.1 Committee members will be appointed by the Board. The majority of members must be independent directors.

- 5.2 At least one member should have accounting, or related financial management expertise.
- 5.3 New members should be provided with a copy of the Committee's Charter and other specific information about the Company.
- 5.4 Any non-executive Director may attend any meeting of the Committee after giving notice to the Chair.
- 5.5 The CEO, COO and the external auditors will be invited to attend meetings as required.
- 6. Chair**
  - 6.1 The Chair of the Committee will be a director appointed by the Board. The Chair of the Board should not be the Chair of the Committee.
  - 6.2 Should the Committee Chair be absent from a meeting, the members present at the meeting will choose one of their number to be chair for that meeting.
  - 6.3 The Chair of the Committee should report formally to the Board, a verbal report is acceptable. This report should include the Committee's minutes, any formal recommendations of the Committee and any other issues of which the Committee believes the Board should be made aware.
- 7. Secretary**
  - 7.1 The Company Secretary, or the delegate, will be the Committee secretary.
  - 7.2 The Secretary, or their delegate, in consultation with the Chair, will prepare an agenda and papers for each meeting, and circulate them to all Committee members at least 48 hours before each meeting.
  - 7.3 The Secretary, or their delegate, will prepare the minutes of the Committee meetings. A copy of the minutes will be circulated to all Committee members.
- 8. Auditor Rotation**
  - 8.1 The audit engagement partner and the review partner within the external auditor's organisation are to be rotated at least every five years.

**9. Charter review**

- 9.1 The Committee will annually self-assess its performance against this Charter, and will report on its performance to the Board, including any recommended amendments to this Charter.
- 9.2 The Board may amend this Charter at any time by resolution.

**APPROVAL**

**Approved By**



**Wendy Craik**

**Date 17.Nov.2022**

**Chair, One Basin CRC Limited Board**

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