



AUDIT & RISK COMMITTEE CHARTER

CORPORATE GOVERNANCE

DRA Global Limited

ABN 75 622 581 935

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Revision: 1

APPROVAL

Name	Title	Signature	Date
Peter Mansell	Chairman of the Board DRA Global Limited		Approved by the Board on 2 April 2020

REVISION RECORD

Revision	Description	Date
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ABBREVIATIONS

Terms	Definition
Committee	Audit and Risk Committee
Board	DRA Global Limited Board
Company	DRA Global Limited
Group	DRA Global Limited and its subsidiaries
CEO	Chief Executive Officer
CFO	Chief Financial Officer

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1 PURPOSE AND ROLE

The Audit and Risk Committee (**Committee**) is a committee of the DRA Global Limited Board (**Board**). The Committee's role is to assist the Board to fulfil its responsibilities in relation to:

- integrity of the Group's consolidated financial statements;
- oversight of financial reporting Board policies and controls;
- oversight of external audit and its effectiveness;
- oversight of systems of risk management, internal audit and internal controls; and
- oversight of compliance with laws and regulations within the Committee's area of responsibility.

This Charter details the functions and the manner in which the Committee will operate. In making decisions and recommendations, the Committee may take into account:

- these terms of reference;
- legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company is listed;
- key market trends and the broader external environment, in particular, the existing and developing corporate governance and regulatory environment;
- the activities of Board's other committees and where appropriate, co-ordinate with and consider information arising out of those committees that affect the Group's risk management, financial and corporate reporting and compliance obligations; and
- any other factors it deems relevant.

2 KEY RESPONSIBILITIES OF THE COMMITTEE

Specifically, the responsibilities of the Committee are to review and report to, and where appropriate recommend for approval by, the Board on the following matters.

The Committee's responsibilities include:

2.1 Financial Reporting

- reviewing the financial statements of the Group, together with the information, reports and opinions, with management and the external auditors, to determine whether they comply with the appropriate accounting standards and provide a true and fair view of the financial position and performance of the Group.
- reviewing significant accounting policies and making recommendations to the Board on their appropriateness and any significant changes to those accounting policies.
- accessing the appropriateness of significant accounting estimates and judgements or choices exercised by management in preparing the Group's financial statements.
- reviewing the representations by management to the Auditor in relation to financial statements, including, that the Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**) declaration, in accordance with section 295A of the Corporations Act, has been formed on the basis of sound system of risk management and internal control across the Group, which is operating effectively.
- making recommendations to the Board as to whether the Group financial statements should be approved.
- reviewing and making recommendations to the Board on the propriety of related-party transactions.

2.2 External Audit

- reviewing the findings and recommendations of the audit, and management's response, arising from the external auditor's report.
- making recommendations to the Board on the appointment or dismissal of the external auditor, the rotation of external audit engagement partners, and their terms of engagement.

- reviewing the scope and adequacy of the Group's external auditor's terms of engagement, annual audit plan, any additional agreed-upon procedures and audit fees.
- reviewing the independence of the external auditor and their performance on an annual basis.
- approving the provision of non-audit services by the external auditor, in accordance with Group's policy on the independence of the external auditor.

2.3 Risk Management

- assisting the Board in setting the risk appetite for the Group's business and monitoring the overall risk culture of the organisation and whether management is operating consistently within the risk appetite set by the Board.
- reviewing and making recommendations to the Board, at least annually, the overall adequacy and effectiveness of the Group's risk management policy and risk management framework. This will include consideration of whether the Group maintains an effective system to identify, assess and manage risks that are material to the achievement of the Group's Purpose and its Strategy.
- monitoring and reviewing financial and non-financial risks that may materially impact the Group from achieving its Purpose, Strategy and financial performance, save those that are managed by another committee of the Board (for example health and safety).
- reviewing and making recommendations to the Board on the disclosures in the annual report relating to material business risks.

2.4 Internal Audit

- if there is an internal audit function:
 - approving the annual plan and resourcing of the internal audit function;
 - receiving reports from the internal auditor on material issues arising from their audits and monitoring management's responses to recommendations arising from the internal audit findings;
 - monitoring of the timeline of closure of findings; and
 - reviewing the independence and performance of the Head of Internal Audit (or equivalent) and internal audit function and recommending to the Board, if necessary, the replacement of the Group's Head of Internal Audit (or equivalent).
- if there is no internal audit function, reviewing the need for an internal audit function and monitoring the adequacy and effectiveness of existing internal controls.

2.5 Compliance

- reviewing, at least annually, the effectiveness of the Group's compliance management framework.
- reviewing reports from the Head of Compliance (or equivalent) on key areas of compliance that may have a material impact on the Group's objectives, and management's response to material fraudulent acts and non-compliances with laws, regulations, internal policies and industry standards.
- reviewing and making recommendations to the Board in respect of any material incident involving fraud or a break-down of internal controls and overseeing investigation of allegations of conflicts of interest, fraud or malfeasance.
- reviewing and making recommendations to the Board at least annually the whistle-blower policy.
- reviewing whistle-blower reports and overseeing any related investigation.

2.6 Taxation

- reviewing reports from management and make recommendations to the Board on material taxation matters and the Group's compliance with applicable tax laws.
- review annually and make recommendations to the Board in respect of the Group's tax risk management policy and strategies.

2.7 Treasury and Delegation of Authority

- reviewing reports from management on material treasury matters and make recommendations to the Board on the Group's treasury standard, funding plans, and the Group's general limits of authority policy.

2.8 Crisis Management, Disaster Recovery and Business Continuity Planning

- reviewing annually and make recommendations to the Board in respect of the crisis management, disaster recovery and business continuity planning process within the Group.

2.9 Insurance Program

- reviewing annually and make recommendations to the Board in respect of the structure and adequacy of the Group's insurances.

3 MONITORING REDRESS OF INEFFECTIVE RESOURCES, PROCESSES AND PERFORMANCE

Reporting provided by management, auditors or independent third party verification may indicate that the Group's resources, processes or performance with respect to financial reporting and risk management have been found to be ineffective in a material respect or otherwise unsatisfactory in a material respect.

If that occurs, the Committee will, on the Board's behalf, monitor implementation of the steps recommended by management, auditors or the third party to seek to ensure that, in a timely manner, the resources, process or performance become effective or otherwise satisfactory.

4 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Committee shall have unrestricted access to management, internal or external auditors, and any information to enable it to fulfil its functions appropriately.

The Committee is authorised to obtain any independent legal advice or other professional advice that it considers necessary to perform its role.

The Committee is a review and advice Committee and has no decision-making authority and holds no delegated authority from the Board.

5 MEMBERSHIP

The members will be appointed by the Board. Each member will be a Non-Executive Director of the Board.

The Committee shall have a Chairperson appointed by the Board. The Committee Chairperson must be an independent Non-executive Director. The Chairperson of the full Board may not chair the Committee.

Committee members should possess the appropriate skills and experience and have an appropriate understanding of the industries in which the Group operates to enable the Committee to fulfil its functions appropriately. At least one member of the Committee should be a qualified accountant or finance professional with experience of financial and accounting matters. The skills and experience of the Committee members shall be appropriately documented.

The Company Secretary will be the secretary of the Committee.

6 MEETINGS

The Committee shall meet as often as required to undertake its role effectively, but as a minimum four times per annum. Any committee member may call a meeting of the Committee.

The Chair of the Committee may call a meeting, at any time, with the internal or external auditors and independent of management.

At least twice a year, including prior to the release of the full and half yearly financial statements, the Committee shall meet with the external auditor without management present.

At least twice a year the Committee shall meet with the Head of Internal Auditor (or equivalent) without management present.

The quorum necessary for the meeting will be a majority of members. In the absence of the Chairperson, the Committee members will elect a member to act as Chairperson for that meeting.

The Committee may invite various persons to attend its meetings, for example the CEO, CFO, Group Legal Counsel, Head of Risk, Head of Compliance, Head of Internal Audit and the Lead Partner of the External Auditor. If invited to the Committee meeting these persons are required to attend the Committee meeting. Invitees may take part in the business and discussions, but have no voting rights.

All Directors have a standing invitation to attend Committee meetings, receive copies of Committee meeting minutes, and have access to Committee papers.

The notice and agenda of Committee meetings will include relevant supporting papers and must be made available to the Committee at least five (5) business days prior to the meeting date.

The proceedings of all meetings shall have minutes taken and the minutes are to be included in the Board papers at the next full Board meeting following the Committee meeting.

Minutes must be prepared, approved by the Chairperson and circulated to membership within two weeks of the Committee meeting. The minutes must be ratified by the Chairperson at the following meeting.

7 VOTING

Matters will generally be decided by consensus or, if a consensus can't be reached, to the full Board for approval.

8 CONFLICTS OF INTEREST

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.

Ongoing conflicts of interest need to be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from the

Committee discussions about the issue where the conflict exists.

9 REPORTING

The Committee Chairperson, or his/her nominee, will report to the Board at the next Board meeting on any material matters arising out of the Committee meeting and make recommendations to the Board for decision.

The minutes and agenda of the prior Committee meeting will be included in the Board papers for the subsequent Board meeting.

All Directors will be permitted, within the Board meeting, to request information of the Committee Chairperson or members of the Committee.

An annual plan will be developed for the Committee activities and reporting on progress against the annual plan will be provided to the Board.

Each of the CFO, the Head of Risk, the Head of Internal Audit and External Auditor will have a separate direct reporting relationship with the Chair of the Committee. This will involve regular one-on-one meetings, as required.

10 REVIEWS

The overall performance of the Committee is to be reviewed at least every two years by:

- obtaining feedback from the stakeholders, for example, Board, CEO, CFO, Group General Counsel, Head of Risk, Company Secretary, Head of Internal Audit and the Lead Partner of the External Auditor; and
- the Chairperson of the Committee assessing the contribution and performance of individual Committee members.

The Committee's Charter will be reviewed at least every two years and any amendments are to be approved by the Board.