

# **Audit and Risk Committee Charter**

Bailador Technology Investments Limited ACN 601 048 275

adopted on 25 September 2014

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## **1 Purpose of Audit and Risk Committee**

- 1.1 As a committee of the board of directors (**Board**) of Bailador Technology Investments Limited ACN 601 048 275 (**Company**), it is the role of the Audit and Risk Committee (**Committee**) to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.
- 1.2 Specifically, the Committee's role is to:
- (a) advise on the establishment and maintenance of a framework of internal controls for the Company's management; and
  - (b) assist the Board with policy on the quality and reliability of financial information prepared for use by the Board.
- 1.3 The Committee will review the Company's risk management framework and policies and monitor their implementation.

## **2 Scope of responsibility**

- 2.1 The Committee is responsible for:
- (a) monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
  - (b) assessing corporate risk and compliance with internal controls;
  - (c) overseeing business continuity planning and risk mitigation arrangements;
  - (d) reviewing reports on any material misappropriation, frauds and thefts from the Company;
  - (e) reviewing reports on the adequacy of insurance coverage;
  - (f) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary in relation to those requirements;
  - (g) reviewing material transactions which are not a normal part of the Company's business;
  - (h) reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor;
  - (i) liaising with the external auditors and monitoring the conduct of the annual audit;

- (j) reviewing management processes supporting external reporting;
- (k) reviewing financial statements and other financial information distributed externally;
- (l) preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (m) reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management;
- (n) reviewing and monitoring compliance with the Code of Conduct; and
- (o) where appropriate, reporting to the Board on the findings of any review, audit or assessment that is undertaken by the committee together with recommendations to update or implement new risk systems, processes or similar where appropriate.

### **3 Composition**

#### 3.1 Composition of the Committee

- (a) The Committee should, where practical, consist of a majority of non-executive directors, whom are also independent directors.
- (b) The chair of the Board (**Chair**) must be an independent director but not the Chair of the Board.
- (c) The Committee must consist of no fewer than three members.
- (d) The Board will appoint one member of the Committee to act as its Chair.

#### 3.2 Secretary

The secretary of the Company has responsibility for coordinating the completion and despatch of committee agenda and briefing materials, as well as draft minutes of meetings of committee for approval at the next meeting.

### **4 Powers**

4.1 The Committee has an advisory role, to assist the Board in relation to matters set out in section 2 and does not have any power to commit the Board to any recommendation or decision made by it except:

- (a) for matters relating to the appointment, oversight, remuneration and replacement of the external auditors; and

- (b) where and to the extent that (in other respects) it has express delegated authority from the Board.

## **5 Reporting**

- 5.1 The Committee must report in writing to the Board after each committee meeting, and provide a copy of the minutes.
- 5.2 If the Committee identifies a significant business risk, it should report that risk to the Board immediately following the relevant Committee meeting.

## **6 Selection of auditors**

- 6.1 External auditors are selected according to criteria set by the Committee which include:
  - (a) the lack of any current or past relationship with the Company or the Manager that could impair, or risk impairing, the independent external view they are required to take in relation to the Company and the Company;
  - (b) their general reputation for independence, probity and professional standing within the business community; and
  - (c) their knowledge of the industry in which the Company and the Company operate.
- 6.2 Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company and the Company.

## **7 Audit planning**

- 7.1 The Committee reviews the performance of the external auditors throughout the year.
- 7.2 During each year, the Committee should meet with the external auditor to:
  - (a) discuss the external audit plan;
  - (b) discuss any potential significant problems;
  - (c) discuss the impact of proposed changes in accounting policies on the financial statements;
  - (d) review the nature and impact of any changes in accounting policies adopted by the Company during the year; and

- (e) review the proposed audit fees.
- 7.3 Before the announcement of the Company's results, the Committee should meet with the external auditor to:
- (a) review the pro-forma half-yearly and pro-forma preliminary final report before lodgement of those documents with the Australian Securities and Investments Commission, and any significant adjustments required as a result of the audit;
  - (b) make the necessary recommendation to the Board for the approval of these documents;
  - (c) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
  - (d) review the draft financial report and the audit report and make the necessary recommendation to the Board for the approval of the financial report.

## **8 Proceedings**

- 8.1 Meetings are held at least three times during each year and more often as required.
- 8.2 The external auditor should be invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.
- 8.3 Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act 2001 (Cth) or the constitution, be used for Board meetings.
- 8.4 The quorum for a Committee meeting is any two members.
- 8.5 A director of the Company (Director) may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee decides, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- 8.6 The Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- 8.7 The procedural provisions of this section 8 in relation to any sub-committee of the Committee.

## **9 Performance review and evaluation**

- 9.1 The Board will, at least once every two years review the membership, operation, role and responsibilities of the Committee to determine its adequacy and effectiveness for current circumstances. The Committee may make recommendations to the Board at any time in relation to the Committee's membership, operation, role and responsibilities.

## **10 Authority**

This Charter was adopted on 25 September 2014 under delegation of authority from the Board of Directors.