



Audit and risk committee charter

Apollo Tourism & Leisure Ltd ACN 614 714 742 (**Company**)

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Audit and Risk Committee Charter

1 INTRODUCTION

1.1 Purpose

The ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" (**Recommendations**) recommend that the Company has formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting and that it has a sound risk management framework.

The Board has established an Audit and Risk Management Committee (**Committee**) in accordance with the Company's constitution and Board Charter to assist the Board with the roles, and exercising the responsibilities, set out in this Charter or otherwise as requested by the Board.

This Charter aims to provide a framework within which the Committee will operate to bring transparency, focus and independent judgement in matters within the Committee's responsibility.

2 THE COMMITTEE'S ROLE AND RESPONSIBILITIES

2.1 The Committee's role

The Committee's role is to:

- (a) oversee the adequacy of the Company's corporate reporting processes. The processes should be formal and rigorous to safeguard the integrity of the Company's corporate reporting and facilitate independent verification;
- (b) oversee the external auditor's role in the corporate reporting process and making recommendations to the Board regarding the external audit;
- (c) ensure that Company management carry out their risk management roles in light of guidance from the Board; and
- (d) make recommendations to the Board regarding risks the Company faces, action it should take, the adequacy of the Company's risk management framework, and on disclosure of risk.

2.2 Committee responsibilities

The Committee is responsible for:

- (a) **(corporate reporting)**
 - (i) reviewing management's processes for compliance with laws, regulations and other requirements relating to the preparation of accounts and corporate reporting by the Company of financial and nonfinancial information;
 - (ii) making recommendations in relation to the adequacy of the Company's corporate reporting processes;
 - (iii) overseeing the process that is implemented to capture issues for continuous reporting to ASX;

- (iv) asking the external auditor for an independent judgment about the appropriateness of the accounting principles, and the clarity of financial disclosure practices, used by the Company;
 - (v) assessing information from external auditors which is significant for financial reports;
 - (vi) reviewing and assessing the appropriateness of material estimates, accounting judgments and significant choices exercised by management in preparing the Company's financial statements (including the solvency and going concern assumptions) by:
 - (A) examining the processes used; and
 - (B) seeking verification from external auditors;
 - (vii) assessing that the Company's financial statements reflect the Committee's understanding of, and provide a true and fair view of, the Company's financial position and performance;
 - (viii) reviewing the financial reports and the results of external audits of these reports;
 - (ix) overseeing that appropriate risk management and internal control processes are in place to form the basis upon which the Chief Executive Officer or Managing Director and Chief Financial Officer make their declarations to the Board under section 295A of the Corporations Act 2001 (Cth) and Principle 4 of the ASX Corporate Governance Principles and Recommendations;
 - (x) reviewing the completeness and accuracy of the Company's Corporate Governance Statement as required by the ASX Listing Rules;
 - (xi) monitoring management's performance against the Company risk management framework, including whether it is operating within the risk appetite set by the Board;
 - (xii) reviewing any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned";
 - (xiii) receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
 - (xiv) 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;
 - (xv) overseeing of the Company's tax Policy and broader tax governance framework; and
 - (xvi) recommending to the Board whether the financial statements, financial report, Directors' Report and Annual Report should be approved based on the Committee's assessment of them.
- (b) **(external audit):**
- (i) making recommendations to the Board on the selection process, appointment and remuneration of the external auditor;

- (ii) agreeing the terms of engagement of the external auditor before the start of each audit;
 - (iii) reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the fee set;
 - (iv) monitoring the independence of the external auditor;
 - (v) reviewing the external auditor's independence based on the external auditor's relationships and services with the Company and other organisations;
 - (vi) assessing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of external auditor and, if required, developing policies for Board approval in relation to this;
 - (vii) inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
 - (viii) meeting with the external auditor without management present at least once a year;
 - (ix) raising with the external auditor any specific points of divergence with the Company's management;
 - (x) the effectiveness of the external auditor and assessing their performance;
 - (xi) the scope and adequacy of the external audit, including identified risk areas and any additional procedures with the external auditor on a periodic basis;
 - (xii) representation letters signed by management and assessing that information provided is complete and appropriate;
 - (xiii) monitoring management's response to the external auditor's findings and recommendations;
 - (xiv) making recommendations to the Board on the rotation of the audit engagement partner;
 - (xv) evaluating whether to recommend to the Board that an external auditor be removed;
- (c) **(risk management framework)** overseeing that Management designs and implements an appropriate and effective risk management framework which:
- (i) aims to identify, protect against, detect, respond to and recover from risks, and to review and improve the framework;
 - (ii) includes relevant matters set out in the schedule; and
 - (iii) is developed and reviewed with input from external auditors, compliance staff and other experts and consultants as relevant and in light of relevant standards and industry guidance;
- (d) **(review of risk management framework)** The Committee will at least annually review the risk management framework to determine that it continues to be sound, and to identify any changes to material risks and whether they remain

within the risk appetite set by the Board with input from Management, external auditors, compliance staff and other experts and consultants as relevant and in light of relevant standards and industry guidance. The Committee will report and make recommendations, if any, to the Board accordingly;

- (e) **(related party transactions)** The Committee will review and monitor the propriety of related party transactions; and
- (f) **(disclosure)** overseeing the preparation of summaries and making recommendations to the Board including:
 - (i) the main internal and external risk sources that could adversely affect the Company's prospects for future financial years, for inclusion in the operating and financial review section of the Directors' Report; and
 - (ii) the corporate governance statement in the Company's Annual Report or on the Company's website, including in relation to each reporting period:
 - (A) whether the review of the Company's risk management framework has taken place and, if appropriate, insights gained from the review and changes made as a result; and
 - (B) whether the Company has any material exposure to economic, environmental and social sustainability risks and if so how they intend to manage those risks.

3 MEMBERSHIP

3.1 Composition and size

The Committee will consist of:

- (a) only non-executive directors;
- (b) a majority of independent directors; and
- (c) at least two members.

The Company will disclose the relevant qualifications and experience of the members of the Committee.

Membership is reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by the Board.

3.2 Chairperson

The Chairperson of the Committee must be an independent non-executive director who is not the Chairperson of the Board.

The Chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee Chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chairperson for the meeting.

3.3 Expertise

The Committee is intended to be structured so that between them, the members of the Committee should have the accounting and financial expertise and a sufficient understanding of the industry and the circumstances in which the Company operates, to be able to discharge the Committee's duties effectively.

If the Committee Chairperson approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Company's expense.

3.4 Commitment

Committee members should devote the necessary time and attention for the Committee to carry out its responsibilities.

At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they intend to devote sufficient time and attention to the Committee for the coming year.

3.5 Secretary

The Company Secretary is the Secretary of the Committee.

4 COMMITTEE MEETINGS AND PROCESSES

4.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

The Board will disclose the number of times the Committee met throughout that financial year and the individual attendance of each Committee member at those meetings.

4.2 Frequency and calling of meetings

The Committee will meet as frequently as required to undertake its role effectively, but not less than four times a year. The Chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, or the Chairperson of the Board.

4.3 Quorum

Two members constitute a quorum for meetings of the Committee.

4.4 Attendance by non-members

The Chief Executive Officer or Managing Director and Chief Financial Officer are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors, each as an observer, to provide input and advice as required by the Committee.

The Committee chairperson may also invite directors who are not members of the Committee, other senior managers and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

4.5 Notice

The Chairperson of the Committee determines the meeting agenda after appropriate consultation. The Secretary will distribute the notice of meeting, the agenda of items to be discussed and related material to all Committee members and other attendees not less than five business days before each proposed meeting of the Committee.

4.6 Access to information and advisors

The Chairperson of the Committee receives all reports between the external auditor and management. The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access the Company's documents and records;
- (c) obtain advice and input from counsel, accountants and other experts (eg risk consultants), without seeking approval of the Board or management (where the committee considers that necessary or appropriate); and
- (d) access and interview management and external auditors (with or without management present).

Relevant information will be distributed to Committee members as it becomes available.

4.7 Minutes

The Secretary will keep minute books to record the proceedings and resolutions of its meetings. The Chairperson of the Committee, or their delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

5 EVALUATION OF COMMITTEE

The Committee will review its performance from time to time and whenever there are major changes to the management structure of the Company. The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this Charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

5.1 Review and publication of Charter

The Board will review this Charter from time to time to assess whether it remains relevant to the current needs of the Company. This Charter may be amended by resolution of the Board.

This Charter will be available on the Company's website and the key features are published in the annual report.