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# OPENN NEGOTIATION LIMITED (ACN 612 329 754)

## Audit and Risk Management Committee Charter

Adopted: 10 May 2021

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### 1. Introduction

The Board of Directors (**Board**) of Openn Negotiation Limited (**Company**) has established the Audit and Risk Management Committee (**Committee**).

This document governs the composition, role and responsibilities of the Committee in conjunction with the Company's Constitution.

### 2. Objectives of the Committee

The primary objectives of the Committee are to assist the Board to discharge its obligations with respect to:

- the integrity and quality of interim and annual financial reporting and disclosures of the Company;
- the integrity of the external audit of the Company (as applicable);
- identification of key business, financial and regulatory risks relevant to the Company;
- updating and implementing the risk management framework for the Company;
- compliance by the Company with relevant laws, regulations, standards and codes; and
- the adequacy of the internal financial and risk management controls of the Company.

### 3. Responsibilities of the Committee

The responsibilities of the Committee are to assist the Board in performing the following functions:

#### 3.1 Financial reporting

- Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- Oversee the financial reports and the results of the external audits of those reports.
- Assess whether external reporting is adequate for shareholder needs.
- Assess management processes supporting external reporting.
- Establish procedures for treatment of accounting complaints.
- Review the impact of any proposed changes in accounting policies on the financial statements.

- Review the half yearly and annual results and the reports and financial statements before they are released.
- Ensure that, before the Board approves the Company's financial statements for a financial period, the Company's Managing Director (or Chief Executive Officer) and Chief Financial Officer (or, if none, the person(s) fulfilling those functions) have declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### 3.2 External audit

- Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- Review performance, succession plans and rotation of the auditor's lead engagement partner.
- Approve the external audit plan and fees proposed for audit work to be performed.
- Discuss any necessary recommendations to the Board for the approval of half-yearly and annual reports.
- Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- Meet with the external auditors at least twice in each financial year and at any other time the Committee considers appropriate.
- Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the *Corporations Act 2001* (Cth).
- Ensure that the external auditor attends the Company's annual general meeting and is available to answer questions from shareholders relevant to the audit.

### 3.3 Internal audit

- Monitor the need for a formal internal audit function and its scope.
- Assess the performance and objectivity of any internal audit procedures that may be in place.
- Review risk management and internal compliance procedures.
- Monitor the quality of the accounting function.

- Review the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

### 3.4 Risk management

- Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- Assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate).
- Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.
- Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

### 3.5 Other responsibilities

- Oversee the Company's environmental risk management and occupational health and safety processes.
- Oversee procedures for whistleblower protection.
- As contemplated by the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, approve any deviation or waiver from the Company's Code of Conduct to the extent that such deviation or waiver does not result in any breach of the law. Any such waiver or deviation will be promptly disclosed where required by applicable law.
- Monitor transactions between the Company and related-parties of the Company.

## 4. Powers and authority

### 4.1 Access

The Committee has rights of access to the Company's management and to the Company's books and records.

The Committee may meet and communicate with the Company's auditors (internal and external) without management present, for the purposes of performing its function under this document.

The Committee may request any Company records or other information it requires from any officers, employees, contractors or agents of the Company.

The Company's external auditor will have unlimited and free access to members of the Audit Committee.

### 4.2 Enquiries and access to advice

The Committee has the power to conduct any enquiry or investigation relevant to its function under this document, including to interview any officers, employees, contractors or agents of the Company, and to seek explanations and additional information.

The Committee may engage appropriate independent experts, legal counsel or other professional advisors that it considers necessary at the cost of the Company.

#### 4.3 Resources

The Committee may seek provision of educational information on topics relevant to the Company and the functions of the Committee, to assist in fulfilling the Committee's duties.

### 5. Reliance

The Committee may rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- an employee of the Company whom the Committee reasonably believes to be reliable and competent in relation to the matters concerned;
- an expert or professional advisor to the Company in relation to matters that the Committee reasonably believes to be within the person's expert or professional competence; or
- another Director or officer of the Company in relation to matters within the Director's or officer's authority.

### 6. Composition of the Committee

#### 6.1 Members

The Committee will have at least 3 members who are to be appointed by the Board.

The members should, where practicable, having regard to the size, nature and scope of the Company's operations, consist of:

- non-executive Directors, at least one of whom is considered to be 'independent' for the purposes of the Board Charter;
- at least one member who has qualifications and experience relevant to the role and responsibilities of the Committee, such as having relevant experience or qualifications in accounting, audit or financial matters;
- at least one member who has relevant experience or an understanding of the industry in which the Company operates;
- persons who are able to read and understand company financial statements; and
- persons who have an appropriate level of understanding of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

#### 6.2 Chair

The Committee should, where practicable, having regard to the size, nature and scope of the Company's operations, be chaired by a non-executive Director who is considered to be 'independent' for the purposes of the Board Charter (**Committee Chair**).

The Committee Chair should not be the chairperson of the Board.

#### 6.3 Secretary

The Company Secretary will be the secretary of the Committee, unless the Board determines otherwise.

## **7. Meetings**

### **7.1 Frequency**

The Committee must meet at least twice each financial year and may meet at such other times as reasonably required to perform its responsibilities.

### **7.2 Calling a meeting**

A member of the Committee may request that the Company Secretary call a meeting of the Committee.

The Company Secretary must give all members of the Committee notice of the time, date and location of a proposed meeting far in advance as possible.

The Company Secretary will prepare an agenda, meeting papers and explanatory documents for a meeting of the Committee and submit them to the Committee Chair for approval prior to circulating to the members before the meeting.

### **7.3 Attendance and quorum**

Members of the Committee may attend meetings in person or using telecommunications technology.

The quorum for a meeting of the Committee is at least 2 members who must be present at the beginning of the meeting and at all times during the meeting.

Further, if any independent Directors are members of the Committee, at least one such Director must also be present for a quorum to be met.

### **7.4 Invitees**

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate.

Any Director may attend a meeting of the Committee as an invitee, unless the Committee Chair determines that it is not appropriate to do so.

Senior management of the Company (including the Company's Managing Director (or Chief Executive Officer), Chief Financial Officer, or Chief Operating Officer, as applicable) may, from time to time, be invited to attend Committee meetings, if it is considered appropriate by the Committee.

The Committee may invite the Company's external auditors to attend a Committee meeting in relation to the Company's full-year or half-year financial statements and any other Committee meeting if the matters to be discussed are relevant to the auditors' functions, such as reviewing the audit plan, discussing audit results or considering audit findings.

### **7.5 Acting chair**

If the Committee Chair is not present for a meeting of the Committee or any part of that meeting, the other members present must elect one member as the acting chair.

### **7.6 Decision making**

Decisions of the Committee will be based on a majority of votes. The Committee Chair will have a casting vote if the votes for and against a resolution of the Committee are equal.

The Committee may pass any resolution or otherwise approve any matter without a meeting if the resolution or approval is recorded in writing and signed by all members, provided that Committee Chair determines it appropriate to do so.

## 7.7 Minutes

The Company Secretary will be responsible for taking minutes of each Committee meeting and circulating them to Committee members as soon as practicable after the close of each meeting.

The minutes and other documentation of the Committee (such as written resolutions) will, where possible, be included in the meeting papers for the next Board meeting after each Committee meeting.

## 8. Reporting to the Board and Shareholders

The Committee should compile a report to the Board following each Committee meeting on the proceedings of the meeting, the outcomes of the Committee's reviews and recommendations, and any other relevant issues. The report must also include, at a minimum, all matters relevant to the Committee's role and responsibilities. This may include the following matters:

- assessment of whether external reporting is consistent with the Committee members' information and knowledge and is adequate for shareholder needs;
- assessment of the management processes supporting external reporting;
- procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- recommendations for the appointment or, if necessary, the removal of the external auditor;
- assessment of the performance and independence of the external auditors, including whether the Committee is satisfied that provision of any non-audit services by the external auditor of the Company has not compromised the auditor's independence; and
- the results of the review of risk management framework and internal control systems, including consideration of whether the Company has a material exposure to any particular risks.

The Committee will provide the Board with advice and recommend regarding the appropriate material and disclosures to be included in the Company's Corporate Governance Statement under the ASX Listing Rules and the Operating and Financial Review of the Company's annual report which relate to the Company's audit and risk management policies and practices.

## 9. Non-Audited/Non-Reviewed Reports

If the Company proposes to release to the public any periodic corporate report that is not audited or reviewed by an external auditor, the Company will seek to:

- verify the integrity of such report before releasing it to the public; and
- when releasing the report to the public, disclose such verification process.

## 10. Declarations

When submitting the Company's financial statements for a financial period to the Board for review, the Committee will procure that the Managing Director and Chief Financial Officer of the Company (if any) provide the Board with a declaration that, in their opinion:

- the financial records of the Company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and

- the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## **11. Performance Evaluation**

The Committee will review its performance from time to time and whenever there are material changes to the management of the Company.

The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this document.

## **12. Corporate Group**

In this document, a reference to the Company includes any ‘related body corporate’ (as defined in the *Corporations Act 2001* (Cth)) of the Company, as the context requires.

## **13. Review and Publication of Charter**

The Board will review the charter set out in this document on an annual basis, and may amend the charter, to ensure the effectiveness of the Committee and the Committee’s roles and responsibilities are consistent with laws and regulations.

The Company will publish this document on the Company’s website at <https://hello.openn.com.au/investors>