

## INTRODUCTION AND PURPOSE

The CleanCo Queensland Limited Board (**Board**) established the Audit and Risk Committee (**Committee**) to assist the Board with its audit, corporate governance, risk and compliance responsibilities in relation to the oversight of CleanCo. This Audit & Risk Committee Charter (**Charter**) sets out the purpose and responsibilities of the Committee.

The role of the Committee in relation to its audit and risk responsibilities, is to assist the CleanCo Board to carry out the following activities in line with the CleanCo culture and efficient risk management practices:

- Review and monitor the integrity of CleanCo's financial management and reporting processes
- Review and oversee risk management, insurance, internal control and legal and regulatory compliance
- Oversee the process for managing risks
- Monitor and assess the performance of the internal and external audit functions.

## RESPONSIBILITIES

### Financial Management and Reporting

The Committee reviews and makes recommendations to the Board on:

- accounting policies to ensure compliance with relevant accounting standards and principles, and relevant legislation
- financial statements presented by management and reports and opinions from the external auditor
- significant estimates and judgements in CleanCo's financial reports
- annual financial reports, supporting representations and declarations, related releases, Statement of Corporate Intent and Government reports
- capital management, annual financing plan and short-term source of funds
- the effectiveness of management systems for monitoring financial management and reporting compliance including laws, policies and accounting standards and results of any related investigations.

### Internal audit

The Committee:

- provides an independent reporting line for the internal audit function
- ensures adequate resourcing
- reviews performance, objectivity and independence of the internal audit function
- reviews and recommends to the Board the internal audit plans and reports on significant findings and internal control recommendations
- reviews and discusses any significant internal audit reports, monitors management responses and makes recommendations
- reviews and recommends to the Board management recommendations on the appointment, annual evaluation and oversight of the internal auditor

- provides assurance to the Board on independence, fitness and propriety, and qualifications of the internal auditor
- regularly meets with internal auditor without management present.

## External auditors

In relation to external audit, the Committee:

- considers the external audit plan, the auditor's fee and the interaction with the internal audit function
- reviews and confirms the independence of the external audit provider
- reviews audit findings, monitors management responses and ensures effectiveness of the external auditor
- reviews effectiveness of the annual audit including interaction with the internal auditor
- meets with the external auditor without management present as needed.

## RISK

### Risk Management

The role of the Committee includes overseeing the effective operation of CleanCo's risk management framework. This includes monitoring, conducting reviews and making recommendations to the CleanCo Board in relation to:

- the adequacy of CleanCo's risk management framework, including its systems and processes for risk management and internal control
- CleanCo's strategic risks, including the effective operation of risk mitigation strategies
- the management of CleanCo's new and emerging risks
- impact of CleanCo's culture on risk management and internal controls
- the strategic risk profile and risk appetite for approval by the Board
- considering the Enterprise Risk Management Framework including monitoring effectiveness and recommending any changes
- performance against the Enterprise Risk Management Framework, while ensuring that CleanCo operates within the risk appetite set by the Board
- development and implementation of appropriate risk management policies, plans and procedures for CleanCo
- management reports concerning "lessons learned", in order to monitor the risk exposures and risk events
- make recommendations and provide advice and guidance to the Board on the Business Continuity Plan (BCP).

### Legal and Compliance

The Committee reviews and makes recommendations to the Board on:

- effectiveness of CleanCo's legal and compliance approach for identifying, monitoring, assessing and managing compliance with relevant laws, regulations and associated government policies
- material breaches of compliance requirements
- outcomes of any investigations, including whistleblower reports and CleanCo's compliance with its legal and regulatory obligations.

## Insurance

The Committee reviews and makes recommendations to the Board on:

- CleanCo's insurance strategy, having regard to the business and insurable risks associated with its business and in line with the risk management framework
- the annual review of insurance covers including premiums and deductibles
- key milestone progress on insurance claims.

## Committee governance

### Membership

The membership of the Committee will be comprised of the Board Chair, the Committee Chair and at least one other Board member. The Board Chair will nominate Committee members who are financially literate, including a member with appropriate experience and qualifications to Chair the Committee.

### Quorum

Two Committee members are required to be present to constitute a quorum for committee meetings.

### Committee Secretary

The Company Secretary will be appointed to facilitate the Committees' meetings and reporting duties and will be responsible for:

- the preparation and circulation of meeting agendas and supporting information
- minuting Committee proceedings in consultation with the Committee Chair
- recording any action items arising from the meeting
- general administrative coordination of the Committee's activities.

### Committee Authority

The Committee has no delegated authority from the Board but may be authorised by the CleanCo Board to:

- investigate any matter within its area of responsibilities
- obtain any information that it requires from any CleanCo director, officer or employee in order to discharge its responsibilities following agreed communications protocols
- have direct access to any director, officer, employee of the Company and seek any information that it requires in order to discharge its responsibilities
- the Committee Chair is authorised, with prior approval of the Chair of the CleanCo Board to obtain independent external professional advice at CleanCo's expense and to secure the attendance of external parties with relevant experience and expertise if it considers it necessary
- make any other recommendations to the Board for approval.

## Meetings

The Committee will, in order to discharge its roles and responsibilities:

- meet at least [four (4)] times per year

- hold additional meetings as the Committee Chair sees appropriate
- the Committee Chair must call a meeting if requested to do so by the Board to consider a matter
- an annual meeting schedule for regular Committee meetings is to be approved in advance by the Committee
- to the extent not specifically set out in this Charter, the rules and procedures adopted by the CleanCo Board in respect of Board meetings, outlined in the Board Charter, will be adopted for Committee meetings.

## Agendas

The Committee Chair will agree the agenda after consultation with the appropriate parties.

The Committee Chair and Company Secretary are responsible for finalising each meeting agenda. Agendas and papers should be distributed to all Committee Members at least five working days prior to a meeting.

## Minutes & Report

The Company Secretary is responsible for keeping the minutes of the meeting.

Minutes (or draft minutes if not yet confirmed) of Committee meetings will be submitted to the next meeting of the Board and the Committee Chair will provide a summary report to the Board including key findings and recommendations.

## Attendees at Committee Meetings

Any CleanCo Director that is not already a Committee member, may attend a Committee meeting.

The Chief Executive Officer, the Chief Financial Officer and the Company Secretary all attend Committee meetings.

Representatives from CleanCo's external and internal auditors are invited to attend Committee meetings.

CleanCo staff may be required to attend Committee meetings (in whole or in part) on a regular basis or from time to time.

## Interaction with other Board committees

The Chair of the Audit and Risk Committee will meet with the Board Chair and other standing committees of the Board (as appropriate) to consider and share key information identified by those committees and where appropriate, reporting to the Board for consideration.

## Performance Review

The Committee Chair will submit an annual report to the Board in respect to Committee activities for the past year, together with any recommendations for improving Committee performance, including any recommended changes in respect of this Charter.

The Committee will participate in any evaluation of Board or Committee performance, as required by the Board.

## Charter Review

This Charter, and any amendments or replacement, may only be approved by the CleanCo Board.

This Charter will be reviewed and, if appropriate, updated by the Board on recommendation from the Audit and Risk Committee annually.

## Publication of Charter

A copy of the charter will be made available at [cleancoqueensland.com.au](http://cleancoqueensland.com.au).