

# Audit and Risk Committee Charter

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## 1. Introduction

- 1.1. The Board (**Board**) of CleanCo Queensland Limited (**CleanCo**) has established the Audit and Risk Committee (**Committee**) to assist the Board with its audit, fiduciary, corporate governance, risk, resilience and compliance responsibilities in relation to the oversight of CleanCo. This Audit & Risk Committee Charter (**Charter**) sets out the purpose, role and responsibilities of the Committee.
- 1.2. The purpose of this Charter is to outline the role, responsibilities, composition and operating guidelines of the Committee in accordance with the *Financial and Performance Management Standard 2019* (Qld).
- 1.3. The Committee is directly responsible to the CleanCo Board and has no executive powers, unless delegated to it by the CleanCo Board. The role of the Committee in relation to its audit and risk responsibilities, is to assist the CleanCo Board to carryout the following activities in line with the CleanCo culture and efficient risk management practices:
  - 1.3.1. review and monitor the integrity of CleanCo's financial management and reporting processes (including climate related disclosures AASB S2)
  - 1.3.2. review and oversee risk management, insurance, internal control and legal and regulatory compliance
  - 1.3.3. oversee the process for managing risks
  - 1.3.4. monitor and assess the performance of the internal and external audit functions (Internal Audit and External Audit respectively).

## 2. Roles and responsibilities

- 2.1. The Committee has been established as a Board Committee and does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within CleanCo, or the reporting lines and responsibilities of either Internal Audit or External Audit functions.
- 2.2. The Committee supports CleanCo to assess the effectiveness of its internal control structure and systems including information technology security and control.
- 2.3. The key roles and responsibilities of the Committee are outlined below.

Role	Responsibilities
Financial Management and Reporting	<p>The Committee reviews and makes recommendations to the Board on:</p> <ul style="list-style-type: none"><li>• accounting policies to ensure compliance with relevant accounting standards and principles, and relevant legislation</li><li>• financial statements presented by management and reports and opinions from the external auditor</li><li>• significant estimates and judgements in CleanCo's financial reports</li><li>• annual financial reports, supporting representations and declarations, related releases, Statement of Corporate Intent (<b>SCI</b>) and Government reports</li><li>• capital management, annual financing plan and short-term source of funds</li></ul>

Role	Responsibilities
	<ul style="list-style-type: none"> <li>the effectiveness of management systems for monitoring financial management and reporting compliance including laws, policies and accounting standards and results of any related investigations</li> <li>any other matters relating to the financial, risk management and audit functions or governance of CleanCo, as considered appropriate by the Committee.</li> </ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>provides an independent reporting line for the Internal Audit function</li> <li>ensures adequate resourcing</li> <li>reviews performance, objectivity and independence of the Internal Audit function</li> <li>reviews and recommends to the Board the Internal Audit plans and reports on significant findings and internal control recommendations</li> <li>reviews and discusses any significant Internal Audit reports, monitors management responses and makes recommendations</li> <li>reviews and recommends to the Board management recommendations on the appointment, annual evaluation and oversight of the Internal Audit &amp; Compliance Manager and any external supplier contracted to provide Internal Audit services</li> <li>provides assurance to the Board on independence, fitness and propriety, and qualifications of the Internal Audit &amp; Compliance Manager and any external supplier contracted to provide Internal Audit services</li> <li>regularly meets with the Internal Audit function without management present</li> <li>In addition, the Committee Chair will meet with the Internal Audit &amp; Compliance Manager prior to each Committee meeting as required to discuss agenda items.</li> </ul>
<b>External Auditors</b>	<p>In relation to External Audit, the Committee:</p> <ul style="list-style-type: none"> <li>considers the External Audit plan, the auditor's fee and the interaction with the Internal Audit function</li> <li>reviews and confirms the independence of the External Audit provider</li> <li>reviews audit findings, monitors management responses and ensures effectiveness of the external auditor</li> <li>reviews effectiveness of the annual audit including interaction with the Internal Audit &amp; Compliance Manager</li> <li>meets with the external auditor without management present as needed.</li> <li>In addition, the Committee Chair will meet with External Auditors prior to each Committee meeting as required to discuss agenda items.</li> </ul>
<b>Risk Management</b>	<p>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:</p> <ul style="list-style-type: none"> <li>adequacy of CleanCo's risk management framework, including its systems and processes for risk management and internal control</li> <li>CleanCo's enterprise risks, including the effective operation of risk mitigation strategies</li> </ul>

Role	Responsibilities
	<ul style="list-style-type: none"> <li>• process CleanCo has in place to assess, manage and continuously improve internal controls, particularly those related to areas of emerging or significant risk</li> <li>• impact of CleanCo's culture on risk management and internal controls</li> <li>• enterprise risk profile and Risk Appetite Statements for approval by the Board</li> <li>• performance against the Enterprise Risk Management Framework, while ensuring that CleanCo operates within the Board approved Risk Appetite Statements</li> <li>• development and implementation of appropriate risk management policies, plans and procedures for CleanCo</li> <li>• management reports concerning new and emerging risks to support the effective management of risk exposures and potential risk events</li> <li>• resilience activities including crisis management and business continuity planning.</li> </ul>
<b>Legal and Compliance</b>	<p>The Committee reviews and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>• the effectiveness of CleanCo's legal and compliance approach for identifying, monitoring, assessing and managing compliance with relevant laws, regulations and associated government policies</li> <li>• material breaches of compliance requirements and actions required to rectify or remediate such breaches expeditiously</li> <li>• outcomes of any investigations, including regulatory, audit and/or whistleblower reports and CleanCo's compliance with its legal and regulatory obligations, business continuity arrangements, including annual testing of plan results and related processes.</li> </ul>
<b>Insurance</b>	<p>The Committee reviews and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>• CleanCo's insurance strategy, having regard to the business and insurable risks associated with its business and in line with the risk management framework</li> <li>• the annual review of insurance covers including premiums and deductibles</li> <li>• key milestone progress on insurance claims.</li> </ul>

### 3. Authority, access and delegation

- 3.1. The Committee has no delegated authority from the Board but may be authorised to:
  - 3.1.1. investigate any matter brought to its attention with full access to all books, records and facilities
  - 3.1.2. have access to, and meet with, CleanCo employees or any external advisors without Executives or management being present, following agreed protocols
  - 3.1.3. seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties
  - 3.1.4. request the attendance of CleanCo employees at meetings as it thinks appropriate.
- 3.2. The Committee Chair is authorised, with prior approval of the Chair of the CleanCo Board, to:

- 3.2.1. obtain independent external professional advice at CleanCo's expense and to secure the attendance at Committee meetings of external parties with relevant experience and expertise if it considers it necessary
- 3.2.2. make recommendations to the Board for approval.

## 4. Committee Governance

### Membership

- 4.1. The Committee will consist of at least three (3) Directors appointed by the Board and so far as is possible:
  - 4.1.1. the membership of the Committee will be comprised of the Board Chair, the Committee Chair and at least one (1) other Board member
  - 4.1.2. the Board Chair will nominate Committee members who are financially literate and experienced in general commercial matters, including a member with appropriate experience and qualifications to Chair the Committee.

### Quorum

- 4.2. Two (2) Committee members are required to be present to constitute a quorum for Committee meetings.

### Chair

- 4.3. The Committee will be chaired by a Director who is not the Board Chair
- 4.4. The Committee Chair is to be appointed by the Board Chair
- 4.5. If the Committee Chair is absent from any meeting of the Committee, the members of the Committee will appoint an Acting Chair for that meeting.

### Secretariat

- 4.6. The Company Secretary (or appropriate delegate) will be appointed to facilitate the Committees' meetings and reporting duties and will be responsible for:
  - 4.6.1. the preparation and circulation of meeting agendas and supporting information in consultation with the Committee Chair
  - 4.6.2. providing administration support to the Committee Chair with appointment, induction and retirement of Committee members
  - 4.6.3. minuting Committee proceedings in consultation with the Committee Chair
  - 4.6.4. recording any action items arising from the meeting
  - 4.6.5. general administrative coordination of the Committee's activities.

### Meetings

- 4.7. The Committee will, in order to discharge its roles and responsibilities:
  - 4.7.1. meet at least four (4) times per year
  - 4.7.2. hold additional meetings as the Committee Chair sees appropriate
  - 4.7.3. call, via the Committee Chair, a meeting if requested to do so by the Board to consider a matter

- 4.7.4. prepare and approve in advance an annual meeting schedule for regular Committee meetings.
- 4.8. To the extent not specifically set out in this Charter, the rules and procedures adopted by the CleanCo Board in respect of Board meetings, as outlined in the Board Charter, will be adopted for Committee meetings.

### Attendance

- 4.9. Any CleanCo Director that is not already a Committee member, may attend a committee meeting
- 4.10. The Chief Executive Officer, the Executive General Manager – Finance and Strategy, the General Manager – Legal and Risk, Internal Audit & Compliance Manager and the Company Secretary (or appropriate delegate) all attend Committee meetings
- 4.11. Representatives from CleanCo's external auditor and external firm contracted to provide Internal Audit services are invited to attend Committee meetings
- 4.12. CleanCo employees may be required to attend Committee meetings (in whole or in part) on a regular basis or from time to time.

### Conflicts of interest

- 4.13. Committee members are required to declare any interests that could constitute a real, potential, or apparent conflict of interest with respect to participation on the Committee. The declaration must be made on appointment to the Committee and in relation to specific agenda items at the outset of each Committee meeting and be updated as necessary.

### Agendas

- 4.14. The Committee Chair will agree the agenda for each Committee meeting after consultation with the appropriate parties
- 4.15. The Committee Chair and Company Secretary (or appropriate delegate) 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 and reporting

- 4.16. The Company Secretary (or appropriate delegate) is responsible for keeping the minutes of the Committee meeting
- 4.17. Minutes (or draft minutes if not yet confirmed) of Committee meetings will be submitted to the next meeting of the Committee and then the Board and the Committee Chair will provide a verbal summary report to the Board including key findings and recommendations if needed
- 4.18. The Committee Chair 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

- 4.19. 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
- 4.20. The Committee will participate in any evaluation of Board or Committee performance, as required by the Board.

## Charter Review

- 4.21. This Charter, and any amendments or replacement, may only be approved by the CleanCo Board.
- 4.22. This Charter will be reviewed and, if appropriate, updated by the Board on recommendation from the Audit and Risk Committee biennially.

## Publication of Charter

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

## 5. Document details

<b>Title</b>	Audit and Risk Committee Charter
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