



Version 3

Audit and Risk Charter

June 2021



Copyright © Hansen Technologies Ltd 2021, all rights reserved.

All information in this document is provided in confidence for the sole purpose of adjudication of the document and shall not be used for any other purpose and shall not be published or disclosed wholly or in part to any other party without Hansen's prior permission in writing and shall be held in safe custody. These obligations shall not apply to information, which is published or becomes known legitimately from some source other than Hansen.

Many of the product, service and company names referred to in this document are trademarks or registered trademarks.

They are hereby acknowledged.

CONFIDENTIAL & PROPRIETARY INFORMATION

Contents

Role and Responsibilities	2
Role	2
Responsibilities	2
External Reporting	2
Audit.....	3
Financial Management.....	4
Risk Management.....	4
Authority	4
Membership	5
Composition	5
Chair	5
Secretary	5
Technical Expertise	5
Committee Meetings & Processes	6
Meetings	6
Conflict of interest	6
MEETING FORMALITIES.....	6
MINUTES.....	6
Reporting to the Board	6
Performance Evaluation	6
REVIEW	7

Role and Responsibilities

Role

The Audit and Risk Committee (**Committee**) is a committee established by the Board of Directors (**Board**) of Hansen Technologies Limited (**Company**). The Board established the Committee's responsibilities pursuant to the Company's Board Charter. The Committee is not a policy-making body, nor does it have substantive executive function. However, it assists the Board in developing Board policy and monitoring organizational activity of the Company and its controlled entities (together, the **Group**) within the scope of its remit and making recommendations to the Board for resolution.

Note: The role of the Committee includes assisting the Board with the Company's governance and exercising of due care, diligence and skill in relation to:

1. External Reporting
2. Audit
3. Financial Management
4. Risk Management

Responsibilities

External Reporting

The committee is responsible for:

- overseeing the appropriateness of the accounting policies and principles of the Group, any changes to those policies and principles and the methods of applying them to ensure that they are in accordance with the Group's stated financial reporting framework;
- overseeing the preparation of financial reports and reviewing the results of external audits or reviews of these reports;
- assessing material estimates and judgments in financial reports by examining the processes used to make those estimates and judgments and making enquiries of the external auditors as to the basis for their conclusions about the reasonableness of management's estimates;
- reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information;
- assessing (before publication) whether external reporting is consistent with Committee members' information and knowledge;
- reviewing the completeness and accuracy of the Company's main corporate governance practices;
- assessing information from external auditors that affects the quality of financial reports;
- requesting that the external auditor provide an independent judgement about the appropriateness, not just

the acceptability, of the accounting principles used and the clarity of financial disclosure practices used by the Company;

- assessing the management of non-financial information in documents to ensure the information does not conflict inappropriately with financial statements; and
- recommending to the Board whether the financial statements should be signed based on the Committee's assessment of them.

Audit

The Committee is responsible for:

- establishing procedures for the selection and appointment of the external auditor;
- making recommendations to the Board on the appointment, removal and remuneration of the external auditor;
- agreeing to the terms of engagement of the external audit or review before the start of each audit or review;
- examining any suggestion by management that the auditor needs to be replaced or that the audit needs to be put out to tender and reporting to the Board on its examination before any decision is made by the Board;
- reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the fee;
- monitoring the effectiveness and independence of the external auditor;
- reviewing the external auditor's independence based on the external auditor's relationships and services with the Group and other organizations;
- assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence and, if required, developing policies for Board approval to ensure this does not occur;
- inviting the external auditor to attend committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- reviewing the scope of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- discussing with the external auditor any significant disagreements with management, irrespective of whether or not they have been resolved;
- monitoring and evaluating management's response to the external auditor's findings and recommendations;
- reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;
- meeting with the external auditor without management present at least once a year; and
- ensuring that the external audit partner is rotated at least once every five years.

Financial Management

The Committee is responsible for:

- advising the Board on financial management and reporting matters, including the financial processes and procedures of the Group;
- assessing existing controls that management has in place for unusual transactions or transactions that may carry more than an accepted level of risk;
- receiving reports concerning all suspected and actual frauds, thefts and breaches of the law;
- assessing and ensuring that there are internal processes for determining and managing key areas, such as important judgments and accounting estimates;
- ensuring management processes are in place, including the formulation and subsequent updating of appropriate company policies; and
- monitoring the solvency of the Group and raising any concerns for the Board's immediate attention

Risk Management

The Committee is responsible for:

- reviewing the effectiveness of the Group's risk management system and ensuring that material risks are identified;
- reviewing the effectiveness of the Group's environment and health and safety risk management systems;
- reviewing actual and potential material risk exposures;
- monitoring the implementation of risk management plans for the Group;
- reviewing insurance and other risk transfer arrangements and considering whether the appropriate arrangements are in place; and
- reviewing and monitoring the propriety of related party transactions.

Authority

The Board authorises the Committee, within the scope of its responsibilities, to:

- investigate any matter brought to its attention with full access to all books, records and facilities of the Group;
- seek any information it requires from a Group employee (and all employees are directed to co-operate with any request made by the Committee) or external parties;
- obtain outside accounting, legal, insurance, compliance, risk management or other professional advice as it determines necessary to carry out its duties; and
- ensure the attendance of Group officers at meetings as it thinks appropriate.

Membership

Composition

The Committee will consist of at least three Directors, and usually no more than five members of the Board. The majority of members of the Committee should be independent. The term of appointment of Committee members who are Directors will coincide with their Board tenure unless otherwise determined by the Board.

Chair

The Chair of the Committee (**Chair**) is appointed by the Board. The Chair must be an independent, non-executive Director and cannot be the Chair of the Board. If, for a Committee meeting, the Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect an alternate c Chair for that meeting.

Secretary

The Committee will have a secretary, which is to be the Company Secretary, or such other person as nominated by the Board (**Committee Secretary**).

The Committee Secretary will attend all Committee meetings.

The Committee Secretary, in conjunction with the Chair, must prepare an agenda to be circulated to each Committee member prior to each meeting of the Committee.

The Committee Secretary will keep minutes proceedings and resolutions of all meetings. The minutes will be distributed to all Committee members after the meeting and ratified by members in attendance/ discussion and signed by the Chair.

Technical Expertise

The Committee must be structured so that:

- all members are financially literate, that is, are able to read and understand financial statements;
- at least one member has financial expertise, that is, is an accountant or financial professional with a recognized financial qualification (CPA or CA); and
- some members have an understanding of the industry in which the Group operates.

Committee Meetings & Processes

Meetings

CONFLICT OF INTEREST

Prior to a meeting commencing each member should consider the items on the agenda and determine if they are conflicted in anyway. Should a conflict of interest be thought to exist each member is responsible for declaring the possible conflict to the Chair at the opening of the meeting.

MEETING FORMALITIES

- The Chair will convene meetings of the Committee as necessary;
- A quorum for a meeting will consist of at least 50% of the members of the Committee;
- Matters will generally be decided by consensus or, if a consensus cannot be reached, by a majority of votes from the members present;
- The number of meetings is to be determined by the Chair in order to permit the Committee to fulfil its obligations but shall not be less than four each year;
- Notice will be given to every member of the Committee of every meeting of the Committee. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held; and
- Non-Committee members, including members of management and the external auditor, may attend meetings at the invitation of the Chair.

MINUTES

The Committee Secretary will keep minute books to record the proceedings and resolutions of meetings of the Committee.

REPORTING TO THE BOARD

The Chair, or its 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.

The Chair will, if requested, provide a brief oral report to the Board as to any material matters arising out of the Committee meeting at the relevant Board meeting. All Directors may, within the Board meeting, request information of members of the Committee.

Performance Evaluation

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

REVIEW

The Committee will review this Charter annually and report to the Board any changes it considers should be made. The Charter may only be amended by resolution of the Board.

**Approved by the Board
June 2021**



Copyright © Hansen Technologies

Hansen Technologies, Melbourne, Victoria, Australia.

The Programs, which include both the software and documentation, contain information that is proprietary to Hansen Technologies, and its licensors; they are provided under a license agreement containing restrictions on use and disclosure and are also protected by copyright and other intellectual and industrial property laws. Except as may be expressly permitted in such license agreement, no part of the Programs may be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose. Reverse engineering, disassembly, or de-compilation of the Programs, except as expressly permitted by law, is prohibited.

The information contained in this document is subject to change without notice. If you find any problems in the documentation, please report them to us in writing. This document is not warranted to be error-free.