



ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

Audit and Risk Management Committee Charter

Ashley Services Group Limited
ACN 094 747 510



Audit and Risk Management Committee Charter

1. Introduction

- 1.1 This Charter governs the roles, responsibilities, composition and membership of the Audit and Risk Management Committee (**Committee**) of Ashley Services Group Limited (**Company**).
- 1.2 The conduct of the Committee is also governed, where applicable, by the constitution of the Company (**Constitution**).

2. Role of the Committee

The role of the Committee is to provide an objective, non-executive review of the effectiveness of the Company's financial reporting and risk management framework, and to assist the board of directors of the Company (**Board**) in carrying out its accounting, audit, risk management, regulatory compliance and financial reporting responsibilities, including oversight and review in respect of:

- (a) the integrity of the Company's external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Company's external auditors;
- (c) the overall policy direction of the audit, compliance and risk management functions;
- (d) systems to ensure effective management of financial and non-financial risks;
- (e) the Company's systems and procedures for compliance with relevant laws, regulations and codes;
- (f) the internal and external audit processes including review of the annual internal audit plan and monitoring of progress and internal audit reports; and
- (g) the Company's internal control framework.

Notwithstanding the establishment of the Committee, ultimate responsibility for the integrity of the Company's financial reporting remains with the Board.

3. Composition¹

3.1 Members

To the extent reasonably practicable given the size and composition of the Board from time to time, the Committee will ideally consist of non-executive directors and have a minimum of three members, with the majority of members being non-executive, ideally independent, directors. The members of the Committee will be appointed and removed by the Board. No limit is to be set on duration of office except as decided by the Board.



3.2 Expertise

Each member of the Committee must be financially literate and have sufficient financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors.

The Committee must include:

- (a) at least one member who is a qualified accountant or other professional with experience of financial and accounting matters; and
- (b) some members who have an understanding of the industry in which the Company operates.

Members of the Committee must have an appropriate level of understanding of the principles of corporate governance, including knowledge of the Australian Securities Exchange (**ASX**) Corporate Governance Principles and Recommendations (**Recommendations**).

3.3 Chair and Secretary

To the extent reasonably practicable given the size and composition of the Board from time to time, the Board will appoint a non-executive director as chair, ideally an independent director (**Chair**). To the extent reasonably practicable given the size and composition of the Board from time to time, the Chair will not be the chairperson of the Board.

The Company secretary will act as secretary of the Committee (**Secretary**) unless determined otherwise by the Board.

4. Meetings

4.1 Frequency

To the extent reasonably practicable given the size and composition of the Board from time to time, the Committee will meet as frequently as required in order to undertake its role effectively but will ideally, at a minimum, meet twice a year.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

4.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but ideally not less than seven days before the meeting unless otherwise agreed by the Committee members.

4.3 Quorum

To the extent reasonably practicable given the size and composition of the Board from time to time, a quorum for Committee meetings will be at least two members, save that one of the members of the quorum be a non-executive director, ideally an independent director.



4.4 **Minutes**

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable after the close of the meeting. The minutes should ordinarily be included in the papers for the next full Board meeting after each Committee meeting.

4.5 **Attendance**

The Committee may invite any person to attend part or all of any meeting of the Committee, as it considers appropriate. Voting at Committee meetings is restricted to Committee members. Any member of the Board may attend a meeting of the Committee as an invitee on their request.

The external auditor may be invited to attend any Committee meeting to review the audit plan, discuss audit results and consider the implications of external audit findings.

5. **Powers**

5.1 **Access**

The Committee has unrestricted access to management, internal and external auditors and all Company records for the purpose of carrying out its responsibilities under this Charter.

The Committee must be provided with all necessary access to the internal audit function without the presence of management and will meet with the internal auditor, in the absence of management, not less than once a year.

The Committee will meet with external auditors, in the absence of management, as often as required, but not less than once a year.

5.2 **Authority**

The Committee is authorised by the Board to perform all activities within the scope of this Charter, including:

- (a) requesting reports to be prepared for review by the Committee;
- (b) seeking such information as it requires from any employee or external party, and securing the attendance of external parties with relevant experience, in order to carry out its responsibilities;
- (c) requesting the preparation and maintenance of policies and procedures;
- (d) obtaining external advice on matters relevant to the responsibilities of the Committee;
- (e) administering the process for the appointment and management of the external auditors; and
- (f) ensuring there are effective mechanisms for the reporting of risk, financial and internal control information by staff and external stakeholders to the Committee.



5.3 Investigations

The Committee has the power, without management present, to:

- (a) conduct any investigations;
- (b) seek explanations and additional information;
- (c) engage any independent experts; and
- (d) access any internal or external auditors.

The Committee has the power to engage any independent experts that it considers necessary or requires to help it fulfil its duties. Costs associated with these investigations will be borne by the Company.

6. Responsibilities

6.1 Risk oversight and management policies

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Committee, management and the internal audit function.

The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of adequacy and effectiveness.

6.2 Risk management and risk profile

The Committee is responsible for:

- (a) maintaining an up-to-date understanding of areas where the Company is, or may be, exposed to risk and compliance issues and seek to ensure that management is effectively managing those issues, including:
 - (i) non-compliance with laws, regulations, standards and best practice guidelines including industrial relation, occupational health and safety, environmental and trade practice laws;
 - (ii) importing judgements and accounting estimates;
 - (iii) litigation and claims;
 - (iv) fraud and theft; and
- (b) relevant business risks not dealt with by other Board committees;
- (c) receiving reports concerning material and actual incidents within the risk areas above and ensuring that material risks are reported to the Board at least annually;
- (d) reviewing the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance and reviewing the completeness and accuracy of the Company's main corporate governance practices as required by the ASX Listing Rules;
- (e) reviewing material documents and reports prepared for lodgment with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment;



- (f) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;
- (g) making recommendations to the Board on the appropriate risk and risk management reporting requirements to the Board and this Committee;
- (h) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;
- (i) meeting periodically with senior key officers of the Company, internal and external auditors and compliance staff to understand the Company's risk management and internal compliance and control system;
- (j) providing advice to the Board on relevant corporate level performance indicators and targets for risk management and compliance activities;
- (k) undertaking an annual review of risk management policy and underlying strategies and procedures to ensure its continued application and relevance;
- (l) examining and evaluating the effectiveness of the internal control system with management and internal and external auditors;
- (m) if considered necessary by the Committee, establishing a periodic and independent review of the implementation and effectiveness of the risk management policy to provide objective feedback to the Board as to its effectiveness;
- (n) receiving and considering reports on risk management and compliance programs and performance against policy and strategic targets;
- (o) reviewing the adequacy of the Company's insurance coverage; and
- (p) examining any matters referred to it by the Board.

6.3 Internal audit function

The Committee is responsible for considering whether to establish an internal audit function whose purpose is to analyse the adequacy and effectiveness of:

- (a) the Company's risk management and internal compliance and control system; and
- (b) the implementation of the Company's risk management and internal compliance and control system.

The internal audit function should be independent of the external auditor. The internal audit function and the Committee should have direct access to each other and should have all necessary access to management and the right to seek information and explanations.



6.4 Internal auditors

The responsibilities of the Committee include:

- (a) determining and thereafter appointing the appropriate members of the internal audit function;
- (b) reviewing the internal auditor's role and responsibilities;
- (c) reviewing the results and effectiveness of the internal audit programs and considering the implications of internal audit findings;
- (d) recommending the scope of the internal audit for Board approval;
- (e) reviewing and approving the appointment and dismissal of senior internal audit executives;
- (f) ensuring the internal audit function is independent of the external auditor;
- (g) reviewing and approving the internal audit plan and work program to ensure that it covers all material risks and financial reporting requirements;
- (h) communicating its expectations to the internal auditor in writing;
- (i) ensuring that the internal audit function has all necessary access to management and the right to seek information and explanations;
- (j) ensuring that the internal auditor reports directly to both the Chief Executive Officer (or equivalent) (**CEO**) or Chief Financial Officer (or equivalent) (**CFO**) and to the Committee;
- (k) receiving summaries of significant reports to management prepared by internal audit, the management response and the recommendations of internal audit;
- (l) ensuring no management or other restrictions are placed on the internal auditors;
- (m) overseeing the coordination of the internal auditors and the external auditors; and
- (n) ensuring the internal auditors are adequately resourced.

6.5 External auditors

The responsibilities of the Committee include:

- (a) providing a link between the external auditors and the Board;
- (b) reviewing the performance and independence of the external auditors;
- (c) reviewing procedures for the selection and appointment of external auditors;
- (d) reviewing and providing recommendations on the rotation of external audit engagement partners;
- (e) recommending the appointment, remuneration and terms of engagement of the external auditors;
- (f) making recommendations to the Board on the removal of the external auditor;
- (g) agreeing the terms of engagement of the external auditor before the start of each audit;



- (h) reviewing the external auditor's fee (for audit and non-audit work) and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's fee;
- (i) recommending the scope of the external audit, and any additional procedures with the external auditor, for Board approval;
- (j) reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;
- (k) reviewing and providing oversight of audit reports prepared and issued by the external auditors;
- (l) raising with the external auditor any specific points of divergence with the Company's management;
- (m) monitoring and examining management's response to the external auditor's findings and recommendations;
- (n) ensuring that there is unfettered access for the external auditor to raise matters directly with the Board or the Committee, including inviting the external auditor to attend Committee meetings to present the audit plan, discuss audit results and consider the implications of external audit findings;
- (o) ensuring that no management or other restrictions are placed on the external auditors; and
- (p) determining what non-audit services are to be provided by the external auditor.

6.6 Review of financial reports

Duties of the Committee include:

- (a) reviewing financial statements for accuracy, adequacy and clarity and ensuring they reflect a true and fair view as a basis for recommendation to and adoption by the Board;
- (b) requiring the CEO and the CFO to make signed and written declarations that:
 - (i) the financial records for the financial year have been correctly maintained;
 - (ii) the financial statements and notes for the financial year comply with the relevant accounting standards, legislative requirements and the ASX Corporate Governance Principles and Recommendations.;
 - (iii) the financial statements and notes for the financial year give a fair and true view of the financial position and performance of the Company; and
 - (iv) any other matters in relation to the financial statements that are materially relevant;
- (c) reviewing financial statements for adherence to accounting standards and policies and the requirements of the ASX Listing Rules and the *Corporations Act 2001* (including continuous disclosure requirements);
- (d) assessing significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments and seeking verification of those estimates from internal and external auditors;
- (e) assessing information from internal and external auditors that affects the quality of financial reports;
- (f) reviewing accounting policies adopted by the Company and any changes made to them;



- (g) asking the external auditor for an independent judgment about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by the Company;
- (h) reviewing management processes supporting 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;
- (i) discussing any significant matters arising from the audit, management judgments and accounting estimates with management and internal and external auditors if appropriate; and
- (j) reviewing, and where necessary challenging, the actions and judgment of management in relation to all financial reports.

6.7 **Related party transactions**

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

7. **Reporting**

7.1 **Reporting to the Board**

To the extent reasonably practicable given the size and composition of the Board from time to time, the Committee will report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues. To the extent reasonably practicable given the size and composition of the Board from time to time, the report will also include, at a minimum, all matters relevant to the Committee's role and responsibilities, including:

- (a) an assessment of whether external reporting is in line with the information and knowledge of the Committee and whether it is adequate for the needs of the Company's shareholders;
- (b) an assessment of the management processes which support external reporting;
- (c) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (d) assessment of the performance and objectivity of the internal audit function;
- (e) recommendations for the appointment or, if necessary, the dismissal of the head of internal audit;
- (f) assessment of the performance and independence of the external auditors and, where the external auditors provide non-audit services, whether the independence of the external auditors has been maintained; and
- (g) the results of the Committee's review of risk management and internal compliance and control systems.



7.2 Annual Report

To the extent reasonably practicable given the size and composition of the Board from time to time, the Committee will provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the Corporate Governance Statement of the Company's Annual Report which relates to the Company's audit policies and practices.

In addition, the following information must be included in the Corporate Governance Statement in the Company's annual report:

- (a) the names, qualifications and relevant experience of those appointed to the Committee;
- (b) the number of meetings of the Committee and the attendance of individual Committee members at each of those meetings;
- (c) an explanation of any departures from the Recommendations;
- (d) whether the Board has received a report from management as to the effectiveness of the Company's management of its material business risks;
- (e) whether the Board has received written assurances from the CEO and the CFO that:
 - (i) the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and
 - (ii) the Company's risk management and internal compliance and control system is operating efficiently and effectively;
- (f) if applicable, how the internal audit is structured and what role it performs;
- (g) whether the Company has any material exposure to economic, environmental and social sustainability risk, if it does how it manages those risks.

8. Attendance at AGM

The Committee will ensure that the external auditor attends the Company's AGM and is available to answer questions from security holders relevant to the audit.

9. Committee's performance evaluation

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

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

10. Review of this Charter

The Board will review this Charter from time to time to ensure that it is operating efficiently and to determine whether any changes are required to be made. This Charter may be amended by resolution of the Board.



11. Public availability of materials

This Charter or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

Adopted by the Ashley Services Group Limited Board on 28 August 2023.