




Audit Risk & Compliance Committee Charter

Babylon Pump & Power Limited

(ACN 009 436 908)

Adopted by the Board on 23 February 2023

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				1 of 5

Constitution

The Audit Risk & Compliance Committee has been established by resolution of the Board.

1 Membership

Where Director numbers permit, the Audit Risk & Compliance Committee will consist of not less than two members. Members will be appointed by the Board from amongst the Non-executive Directors, the majority of which shall be independent Directors. In addition, the Audit Risk & Compliance Committee will comprise:

- at least one member who has an understanding of the industry in which the Company operates.
 - members who can read and understand financial statements and are otherwise financially literate.
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2 Chairman

The full Board will nominate the Chairman of the Committee, who shall be an independent non-executive Director where possible.

3 Secretary

The Company Secretary will be the Secretary of the Audit Committee.

4 Other Attendees

The CEO and CFO as well as other members of senior Management may be invited to be present for all or part of the meetings of the Audit Committee but will not be members of the Committee.

5 Quorum

A quorum will be two members.

6 Meetings

Audit Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, the CEO or the external auditor.

7 Authority

The Audit Committee is authorised by the Board to investigate any activity within its charter. The Audit Committee will have access to management and auditors with or without Management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee is required to make recommendations to the Board on all matters within the Audit Committee's charter.

8 Reporting Procedures

The Audit Committee will keep the minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Audit Committee and circulated to the Board with the Board Papers for the next Board Meeting. The minutes are to be tabled at the Board Meeting following the Audit Committee meeting along with any recommendations of the Committee.

9 Responsibilities of the Audit Committee

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In particular, the Audit Committee has the following duties:

- (i) Accounting Practices and External Reporting Financial Statements
 - a. To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
 - i. any changes in accounting policies and practices,
 - ii. major judgmental areas,
 - iii. significant adjustments, accounting and financial reporting issues resulting from the internal and external audit,
 - iv. compliance with accounting policies and standards and
 - v. compliance with legal requirements.
 - b. To review the evaluation by management of factors related to the independence of the Company's Public Accountant and to assist them in the preservation of such independence.
 - c. To oversee Management's appointment of the Company's Public Accountant.
- (ii) Related Party Transactions
 - a. To monitor and review the propriety of any related party transactions.
- (iii) External Audit Function
 - a. To recommend to the Board the appointment of the external Auditor, based on the following selection criteria:
 - i. Skills and knowledge of the Team proposed to do the work and their independence from the Company.
 - ii. Quality of work
 - iii. Independence of the Audit Firm
 - iv. Lead signing partner and independent review partner rotation and succession planning
 - v. Value for money and
 - vi. Ethical behavior
 - b. Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
 - c. Ensuring that no partner of the external auditor is responsible for the

Company's accounts for a period of more than 5 years and once the appointment has ceased, not being able to rotate back onto the audit for a period of 5 consecutive years.

- d. To discuss with the external auditor before the audit commences the nature and scope of the audit, and to ensure coordination between staff and external auditor.
- e. To meet privately with the external auditor on at least an annual basis.
- f. To determine that no management restrictions are being placed upon external auditor.
- g. To discuss problems and reservations arising from the interim and final audits, and any matters the Auditors may wish to discuss (in the absence of management, where necessary).
- h. To review the external Auditor's letter and Management response.
- i. To review any regulatory reports on the Company's operations and response.

(iv) Communication

- a. Providing, through regular meetings, a forum for communication between the Board, senior Financial Management, staff involved in internal control procedures, and the external Auditors.
- b. Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- c. Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

(v) Assessment of Effectiveness

(vi) To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating internal Auditors and the external Auditors.

(vii) Oversight of the Risk Management System

- a. To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk is minimised prior to endorsement by the board.
- b. Meet periodically with key internal staff and external Auditors to understand and discuss the Company's control environment.
- c. Assess the internal processes for determining and managing key risk areas, including:
 - i. non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law}
 - ii. litigation and claims and
 - iii. relevant business risks other than those that are dealt with by other specific committees.
- d. To evaluate the Company's exposure to fraud.
- e. To take an active interest in ethical considerations regarding the Company's policies and practices.
- f. To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- g. To identify and direct any special projects or investigations deemed necessary.
- h. To ensure the appropriate engagement, employment and deployment

of all employees under statutory obligations.

- i. To ensure a safe working culture is sustained in the workforce.
- j. To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the company.
- k. To regularly review and update the risk profile