



**MaxiTRANS Industries Limited**  
**AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER**

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**1. PURPOSE OF CHARTER**

This Charter sets out the role, responsibilities, composition, membership requirements, and powers of the MaxiTRANS Industries Limited Audit and Risk Management Committee (**Committee**).

The charter is available to shareholders on request and is published on the company's web site.

**2. ROLE OF COMMITTEE**

The Committee is a Committee of the MaxiTRANS Industries Limited Board of Directors.

The primary role of the Committee is to assist the Board of Directors in fulfilling its corporate governance and oversight responsibilities. In particular, the Committee will focus on:

- Verifying and safeguarding the integrity of the company's financial reporting.
- Internal management processes and controls.
- The removal, selection and appointment of the external auditor and the rotation of the external lead and review auditors.
- Review of risk management and internal compliance and control systems.

**3. MEMBERSHIP OF COMMITTEE**

The Committee shall consist of three directors of the Board. All members shall be non-executive directors and are appointed by the Board. A majority of the Committee must be independent. The Chairperson of the Committee shall be an independent director.

It is a requirement of this charter that Committee members exercise independent judgement in respect of their responsibilities as members of the Committee and act in accordance with the Code of Conduct established by the Board of Directors.

The Committee shall consist of members who are financially literate and at least one member who has financial expertise. In addition, at least one member will have an understanding of the industry in which MaxiTRANS operates.

**4. MEETINGS**

**4.1 Frequency**

The Committee will meet at least three times a year. Meetings will be scheduled to coincide with the completion of the external Auditor's review of the half yearly financial reports and the completion of the external Auditor's full year statutory financial audit. A further meeting will be scheduled to plan the audit program and audit review of specific internal controls or any other matter deemed appropriate by the Committee.

**4.2 Power to call a Meeting**

The Chairman of the Committee will call a meeting if requested by the Board of Directors, any member of the Committee or the external Auditors.

**4.3 Secretary**

The Company Secretary will act as secretary of the Committee.

#### **4.4 Quorum**

The quorum for a meeting is two members of the Committee.

#### **4.5 Attendance**

Members of the Committee and the Board of Directors are entitled to attend meetings provided that no Director or Committee member who has a conflict of interest in respect of any matter before the Committee will be entitled to be present at the meeting when that matter is being considered by the Committee.

Meetings may be constituted by technological means (e.g. by tele-conference or video-conference) provided that members are able to simultaneously hear each other and participate in discussion.

The Committee may invite any other party to attend the meeting if it is deemed appropriate. The Managing Director, the Chief Financial Officer, senior executives and the external Audit partners may be invited to meetings of the Committee.

The Committee will meet with the external Audit partners at least twice a year without management being present.

#### **4.6 Notice of Meetings and Meeting Papers**

A meeting timetable will be published annually in advance. The Secretary will distribute meeting papers a minimum of three business days prior to any meeting. All directors will receive a copy of Committee meeting papers distributed to Committee members.

#### **4.7 Minutes**

Minutes of Committee meetings will be distributed to Committee members for review and confirmation within three business days of any meeting. Confirmed Committee minutes will be tabled at the following meeting of Directors.

### **5. ACCESS AND AUTHORITY**

The Committee has the right to obtain access to:

- The external Auditors;
- Management, officers and employees;
- Independent professional advisors including financial, accounting, legal counsel and tax advisors;
- The records, financial and non-financial, of MaxiTRANS Industries Limited and any subsidiary company or associated company (if practicable).

The Committee has the authority to seek information from any of the above parties that it requires to carry out its duties in accordance with this charter.

### **6. REPORTING**

The Chairman of the Committee will report to the Board of Directors at the first meeting of directors following the Committee meeting. The report to the directors will include details of:

- Recommendations by the Committee to the Board of Directors.
- Resolutions passed by the Committee.

- The Committee's assessment of whether external reporting is consistent with the Committee members' information and knowledge and is adequate for shareholder needs.
- The Committee's assessment of the management processes supporting external reporting.
- Procedures for the selection and appointment of external auditor and for the rotation of the external audit engagement partner.
- Recommendations for the appointment or removal of the external auditor.
- The conduct of external Audit process and the Committee's assessment of the performance and independence of the external auditors.
- The results of its review of risk management and internal compliance and control systems.
- Any other matter relevant to the Committee's role and responsibilities.

## **7. DUTIES**

The duties and responsibilities of the Committee are in addition to the duties of members as directors of the company. A non-exhaustive list of the duties and responsibilities of the Committee includes the following:

### **7.1 Financial and Statutory Reporting**

#### **7.2 External Audit**

- Review the performance and independence of the external auditor and any non-audit services provided by the external audit firm and make recommendations to the Board in relation to statements on non-audit services and audit independence.
- Review the rotation of the lead or review auditor to ensure that rotation occurs at appropriate intervals i.e. when the lead or review auditor has played a significant role in the audit for five successive years or for five out of seven successive years.
- Review of the terms of engagement of the external auditor, fee structure and scope of work to be undertaken by the auditors.
- Review recommendations for removal of the auditor, oversee the selection and appointment of the external auditor and make appropriate recommendations to the Board.
- Ensure that no inappropriate restrictions are placed on the external auditor and that employees understand the role of the auditor and do not influence or mislead the auditor or otherwise interfere with the proper conduct of the audit.
- Establish and review processes to enable shareholders to submit written questions to the auditor to be answered by the auditor at the AGM of the Company.

#### **7.3 Risk Management**

- Review management programs for monitoring and identifying significant areas of risk for the company;
- Review and assess management information systems and internal control systems
- Review the insurance program for the MaxiTRANS Group;
- Review of occupational health and safety practices and compliance with legislation.

#### **7.4 Other**

The Committee may undertake any other activities as directed by the Board or initiate investigations or projects that the Committee considers appropriate.