

Charter



Audit and Risk Committee Charter

Cabcharge Australia Limited
ACN 001 958 390

Adopted by the Board on 20 June 2016

1 Membership of the Committee

The Committee must consist of:

- only Non-executive Directors;
- a minimum of 3 members;
- a majority of independent Directors; and
- an independent Chair, who is nominated by the Board and is not Chair of the Board.

The Board may appoint additional Non-executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

It is intended that all members of the Committee should be financially literate and have familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively. At least one member should have relevant formal qualifications and experience (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).

2 Role and responsibilities

2.1 Overview

The Committee's key responsibilities and functions are to oversee the Company's:

- (a) financial reporting process;
- (b) relationship with the external auditor and the external audit function generally;
- (c) relationship with the internal auditor and the internal audit function generally;
- (d) processes for monitoring compliance with laws and regulations and its own code of business conduct; and
- (e) processes for identifying and managing risk.

2.2 Financial reporting

The responsibilities of the Committee in relation to financial reporting are as follows:

- (a) Review, and discuss with management and the external auditor, the Company's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.
- (b) Review the Company's financial statements, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company, as a basis for recommendation to and adoption by the Board.
- (c) Receive and review reports of the external audit of the Company's financial statements.

- (d) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Company's financial reports, including significant changes in the selection or application of accounting principles.
- (e) Establish whistleblowing procedures for the receipt, retention and treatment of confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- (f) Ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.
- (g) Discuss with management and the external auditor the process surrounding, and disclosures made by, the Chief Executive Officer and Chief Financial Officer in connection with their certification of the half yearly and annual reports.

2.3 External audit

The responsibilities of the Committee in relation to the external audit are as follows:

- (a) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit and ensure that no unjustified restrictions or limitations have been placed on the scope.
- (b) Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditor believe special attention is necessary.
- (c) Review with the external auditor their report regarding significant findings in the conduct of their audit and the adequacy of management's response.
- (d) Discuss with the external auditor matters relating to the conduct of the audit, including the timeliness of their reporting, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.
- (e) Review the performance, independence and objectivity of the external auditor.
- (f) Review the procedures for selection and appointment of the external auditor and for the rotation of external audit engagement partners.
- (g) Recommend to the Board the selection and termination of the external auditor, subject to shareholder ratification.
- (h) Review annually, and recommend for Board approval the terms of engagement and other contractual terms, fees and other compensation to be paid to the external auditor.
- (i) Develop and oversee the implementation of, and compliance with, the Company's policy on the engagement of the external auditor to supply non-audit services.
- (j) Provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's Annual Report.
- (k) Oversee the coordination of the internal and external audit.

The external auditor reports directly to the Committee.

2.4 Internal audit

The responsibilities of the Committee in relation to the internal audit are as follows:

- (a) Determine whether the internal audit function is to be provided by an internal or external provider, and if the latter, approve the terms of the engagement.
- (b) Review and recommend to the Board the appointment and dismissal of the Head of Internal Audit.
- (c) Review the scope, results, adequacy and effectiveness of the internal audit programs and the performance and objectivity of the internal audit function, including whether the internal auditor function is adequately resourced and co-ordinated with the external auditor.
- (d) Monitor the independence of the internal audit programs from the external auditor and management.
- (e) Review and recommend to the Board the annual internal audit plan, budget and staffing, and ensure that an appropriate program of internal audit activity is conducted each financial year.
- (f) Review and monitor the progress of the internal audit and work program.
- (g) Evaluate management's responsiveness to internal auditor's finding and recommendations.

2.5 Risk management and internal control

The responsibilities of the Committee in relation to risk management and internal control are as follows:

- (a) Oversee and advise the Board on high-level risk related matters, including risk appetite and tolerance in determining strategy, as well as plans in plans to manage significant risks.
- (b) Review, at least annually, the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk and report to the Board on its findings.
- (c) Ensure that management has appropriate processes for identifying, assessing and responding to risks in a manner that is consistent with the Company's risk appetite, and that those processes are operating effectively.
- (d) Review the trends in the Company's risk profile and report to the Board on key risks.
- (e) Review and make recommendations to the Board in relation to the risk disclosures in the Company's periodic reporting documents, including the operating and financial review in its Annual Report.
- (f) Evaluate the adequacy and effectiveness of the Group's identification and management of economic, environmental and social sustainability risks and its disclosure of any material exposures to those risks.
- (g) Oversee the establishment and maintenance of processes to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguard of assets; and
 - a regular review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

- (h) Evaluate the Group's exposure to fraud, review the results of investigations into allegations of fraud or malfeasance and make recommendations to the Board in relation to any incident involving fraud or other break down of the entity's internal controls.
- (i) At least annually, evaluate and make recommendations to the Board in relation to the structure and adequacy of the Group's insurance program having regard to the Group's business and the insurable risks associated with its business.

2.6 Compliance

The responsibilities of the Committee in relation to compliance are as follows:

- Review the procedures the Company has in place to ensure compliance with laws and regulations, including the ASX Listing Rules, Corporations Act and AASB requirements.
- Review and discuss with management and the internal and external auditor the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, including monitoring compliance with Company policies.
- Review the findings of any examinations by regulatory agencies.
- Review and recommend the Code of Ethics and Conduct to the Board.

3 Rights of access and authority

The Committee has unrestricted access to information it considers relevant to its responsibilities. The Committee has rights of access to auditors (external and internal) without management present, and rights to seek explanations and additional information from both management and auditors.

4 Review of Charter and Committee Assessment

The Committee will, at least annually, assess its activities and review its Charter and may make recommendations to the Board.

5 Administrative matters and procedures

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

Administrative matters and procedures

Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, the Committee must hold at least two meetings per year.

Quorum

The quorum is at least 2 members.

Secretary

The Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, 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.

Independent advice

The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers, consultants or specialists as to any matter relating to the powers, duties or responsibilities of the Committee.

Attendance by non-Committee members

Other Non-executive Directors may attend all or part of a meeting of the Committee.

The external auditor should be invited to make presentations to the Committee as appropriate. In addition, the Committee should separately meet with the external auditor (without management being present) to discuss any matters that the Committee or the auditor believe should be discussed privately.

Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be distributed to members of the Committee and other members of the Board.

All minutes of the Committee must be entered into a minute book maintained for that purpose and be available for inspection by any Director.

Reporting

It is intended that a copy of the minutes of the Committee meeting will be included in the Board papers for the next Board meeting following a meeting of the Committee.

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