

## AUDIT COMMITTEE CHARTER

### Introduction

The Audit Committee (the “Committee”) is established as a committee of the Board of Heemskirk Consolidated Limited on the terms set out in this Charter.

### Role of the Committee

The Committee is established as an **advisory body** to the Board in relation to:

- Heemskirk’s draft external financial reports, including the statutory half year and full year financial reports, and the ASX half year and full year reports.
- In so far as they affect Heemskirk’s financial reporting, risk management and internal control structures, and compliance with laws and regulations.
- External audit activities, the terms of engagement (including fees) for the external audit, the independence of the external auditor, and the appointment and removal of the external auditor.

The Committee has **delegated authority** from the Board in relation to:

- the scope of work for the external audit.
- the provision of non-audit services by the external auditor.

The Board may also refer other matters to the Committee from time to time.

### Responsibilities of the Committee

In its **advisory** role to the Board, the Committee should:

#### ***External Reporting***

- review all draft financial reports that are intended for publication prior to consideration by the Board.
- recommend to the Board that, based on the information available to the Committee, the draft financial statements, including the directors’ report, be approved by the Board.

- 🔥 review draft half year and full year dividend recommendations made by management and make a dividend recommendation to the Board.

### ***Risk Management, Internal Control Structures & Compliance***

- 🔥 monitor and review the effectiveness of the risk management and internal control structures and compliance processes implemented by management as they affect financial reporting.
- 🔥 advise the Board whether the risk management and internal control structures and compliance processes provide reasonable assurance that reliable financial records are maintained.

### ***External Audit***

- 🔥 ensure that external audit activities are carried out in the most effective, efficient and comprehensive manner.
- 🔥 review the terms of engagement (including fees) of the external auditor.
- 🔥 review the ratio of non-audit services provided by the external auditor, the total amount of fees paid to the external auditor, the nature of non-audit services provided, and the statement of audit independence.
- 🔥 as appropriate, make recommendations to the Board in relation to the appointment and removal of the external auditor.

In the Committee's advisory role to the Board, it is recognised that the Committee will place reliance on reports and advice from the external auditor, the Managing Director and other management.

In exercising the **authority delegated** by the Board, the Committee should:

- 🔥 review and approve the scope of work of the external audit.
- 🔥 monitor the provision of non-audit services.

### **Membership & Attendance**

The Committee should comprise three directors of which two should be non-executive directors.

The Managing Director and other members of management may attend meetings by invitation. The Committee Chair may invite other external parties, such as the external auditor, to attend all or part of a meeting.

The Committee Chair is appointed by the Board subject to the condition that the Chair must be an independent director who is not the Board Chair.

### **Meetings**

The quorum for a Committee meeting is two Committee members. The Committee should meet at least three times a year and more frequently if required. The Committee must ensure that minutes of Committee meetings are taken and its deliberations and decisions are recorded in the minutes.

### **Reporting to the Board**

At the next Board meeting after a Committee meeting, the Committee Chair should advise the Board of issues discussed at the Committee meeting. In addition, minutes of Committee meetings should be provided to the Board.

### **Committee Secretary**

The Company Secretary will serve as the Committee Secretary.