

# AUDIT AND RISK COMMITTEE CHARTER

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The Board of Directors of Seeka Limited (the Board) has resolved to establish a delegated subcommittee to be known as the Audit and Risk Committee (the 'Committee').

Its objectives, structure and composition, term of office, and duties and responsibilities, are as follows:

## Objectives

The committee's primary function is to assist the Board in fulfilling its responsibilities by reviewing and having oversight of the:

- Financial and operational information provided to the Stakeholders and others.
- Systems of internal controls which management and the Board of Directors have established.
- Audit process.
- Business risk management.

## Membership and meetings

- The membership of the Audit Committee shall comprise solely of Directors of the Company and consist of an independent Chairman and at least two members of the Board as designated by the full Board of Directors by majority vote.
- The membership of the Audit Committee shall comprise a majority of independent directors.
- The Committee shall have at least one member with an accounting or financial background.
- Members of the Audit Committee shall be appointed each year at the Board's discretion.
- The Chairman of the Audit Committee should not also be the Chairman of the Board.
- The duties and responsibilities of the members of the Audit Committee are in addition to those as a member of the Board of Directors.
- The Audit Committee shall meet at least three times per year or more frequently if circumstances require.
- The Audit Committee may ask members of management or others to attend meetings to provide necessary and relevant information.

- The CEO will be invited to attend audit committee meetings in an ex-officio capacity
- The CFO will also act as secretary for this committee. The CFO is responsible for circulating the meeting agenda and supporting material to all committee members, management, and external audit representatives. Normal committee distribution requirements for minutes, agendas and supporting material will apply.

## Responsibilities

- Annually review and update the committee's charter.
- Determine from time to time but not more frequently than five yearly (other than for reason of poor performance or conflict), whether to recommend to the Board that the position of auditor be put up for review.
- Review published documents containing the Seeka's financial statements and consider whether the information contained in these documents are consistent with the financial information that is provided.
- Review policies and procedures in relation to fixed assets, inventory valuation, management discretionary expenditure, expense accounts, credit cards and other benefits, including their use of corporate assets, and consider the results of any relevant review by Internal Audit.
- Review the carrying value of external investments
- Review legal and regulatory matters that may have a material impact on the financial statements and the related corporate policies.
- Meet with the External Auditor, and management in separate executive sessions to discuss any matters that the committee or these groups believe should be discussed privately.
- Report the committee's actions to the Board of Directors with appropriate recommendations.
- Prepare a statement for inclusion in the annual report that describes the committee's composition and how their responsibilities were discharged.
- The Audit Committee has the authority to conduct or authorise investigations into any matters within the committee's scope of responsibility. The committee has the ability to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- The Committee will perform such other functions as assigned by law, or the Board of Directors.

### **External audit**

Consider, in consultation with management, and the External Auditor:

- The audit scope and plans of Internal Audit and the statutory audit.
- The audit program to ensure that the audit effort is co-ordinated to ensure completeness of coverage and efficient and effective use of all audit resources.
- The adequacy of Seeka's internal controls including computerised information system controls and security.
- Any related significant findings and recommendations of the External Auditor and Internal Audit together with management's responses.
- Provide an open avenue of communication between the External Auditors and the Board of Directors

### **External audit - Independence**

The Audit Committee will take steps to ensure the independence of the external auditor through procedures that include;

- Maintaining communication with the company's external auditors via at least two formal meetings each year;
- Ensuring that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- Monitoring what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the Company;
- The annual level for such other service fees in aggregate is to be no more than 100% of the annual statutory audit fee unless approved by the Committee;
- The nature of such other services will not create a conflict of interest; and
- Ensuring that the external auditor is invited to attend the Annual Shareholders meeting.

### **Financial**

Review with management and the External Auditor at the completion of the annual statutory audit:

- Review and recommend the accounting policies for the Company and any changes to them
- The Seeka Group annual financial statements and related notes.
- The statutory audit process and their subsequent report.
- Any significant changes that may be desirable in subsequent statutory audit plans.
- Any serious difficulties or disputes with management encountered during the course of the audit.
- Any matters relating to generally accepted accounting or auditing standards.

### **Internal Audit**

Undertake or commission Internal Audit reviews as required, and consider and review regularly with management regarding internal audit:

- Significant audit findings and management's responses.
- Any difficulties encountered in undertaking the internal audit programme, including any restrictions on the scope of their work or access to required information.
- Any changes required in the planned scope of future audit plans.
- Internal Audit's annual budget and staffing requirements

### **Risk**

Establish a formal risk management policy and program:

- Develop a risk framework and library that describes and categorises each identified risk.
- Establish a regular reporting and review process
- Establish a risk improvement process.

### **Insurance**

Establish an appropriate insurance program

- Review insurable risks each year.
- Establish the insurance policy framework before each annual review
- Review the outcome of the annual insurance review.

### **Review of the Charter**

This Charter will be reviewed annually by the Board.

Adopted: June 2012

Last revised: July 2019

Next review due: December 2020