



ASX:JYC

# Audit and Risk Committee Charter

This Charter sets out the role, responsibilities, structure and processes of the Audit and Risk Committee (the **Committee**), established by the Board of Directors of Joyce Corporation Ltd (the **Company** or **Group**).

## 1. Roles and Responsibilities

- a) The role of the Committee is to assist the Board of Directors (**Board**) in fulfilling its responsibilities in overseeing the Company's financial reporting; compliance with legal and regulatory requirements; the setting of risk parameters of the Group and overseeing the Group's systems of internal control and its risk management framework. In fulfilling this purpose, the Committee will:
- i. review and assess the Group's processes which ensure the integrity of financial statements and reporting and associated compliance with legal and regulatory requirements, including accounting standards;
  - ii. review and assess the appointment, qualifications, independence, performance and remuneration of and relationship with the Group's external auditors and the integrity of the audit process as a whole;
  - iii. oversee the effectiveness of the systems of internal controls and risk management framework;
  - iv. oversee the performance of senior executives (**Management**) in reporting and mitigating material risks;
  - v. oversee the policies and procedures for ensuring the Group's compliance with relevant regulatory and legal requirements; and
  - vi. make recommendations to the Board in relation to each of the areas listed above where necessary.
- b) The main responsibilities of the Committee include:

### Integrity of financial statements and reporting

- i. reviewing and recommending to the Board for approval the final draft annual and interim financial statements of the Company and other related information, to be released through the ASX to the shareholders and the wider financial community. The review process will include consideration as to whether the financial statements reflect the Committee's understanding of (and otherwise provide a true and fair view of) the financial position and performance of the Group and will include discussions with Management and the external auditors prior to the Committee's submission and recommendation to the Board;
- ii. reviewing and assessing the effectiveness of Management's programs and policies (and discussing with the external auditors the adequacy and effectiveness of) relating to the Group's financial and reporting systems and internal controls over these systems;
- iii. reviewing any material changes in accounting or reporting requirements and assessing subsequent effects on the Company's financial statements and the Group's policies and practices;
- iv. reviewing any judgements made by Management in respect of accruals, provisions, estimates, or the application of accounting policies, which materially affect the financial statements, as well as other sensitive matters, such as disclosure of unusual, non-recurring, complex or related party transactions; and





ASX:JYC

- v. reviewing and discussing with Management and the external auditors the process and the disclosures made in respect of the certifications given by the Chief Executive Officer and Chief Financial Officer with respect to the financial statements of the Group pursuant to the requirements of the Corporations Act.

#### **Engagement with external auditors**

- i. reviewing (**with Management**) the external auditor's engagement terms (including the scope of the external auditor's engagement) in order to make recommendations to the Board concerning the appointment, re-appointment, rotation and removal of external auditors;
- ii. reviewing and approving the terms of engagement and fees of external auditors;
- iii. reviewing and assessing non-audit and assurance-related services to be provided by external auditors, with particular consideration to the potential of those services to impair the external auditor's judgement or independence in respect of the Group;
- iv. reviewing, assessing and approving the audit plans of the Group's external auditors, including the degree of co-ordination between any internal and external audit teams;
- v. reviewing and assessing the planned audit scope evaluating how the auditor will consider controls relevant to the preparation and presentation of the financial statements;
- vi. reviewing the summary management report prepared by the external auditors, including the significant findings and responses of Management and assessing any significant recommendations of the external auditors to strengthen the internal controls and reporting systems of the Group;
- vii. periodically meeting with the external auditors without the presence of Management, to discuss the quality of the Group's accounting principles, material judgements and any other matters that the Committee or external auditors deem appropriate;
- viii. reviewing, assessing and monitoring Management's responsiveness to external audit findings;
- ix. assessing and monitoring the performance and effectiveness of the Group's external auditors, including an assessment of auditor independence in accordance with regulatory requirements; and
- x. obtaining an independence declaration from each external auditor, as required.

#### **Internal controls and risk management**

- i. reviewing management reports on the effectiveness of the internal control and risk management systems and management of material business risks;
- ii. reviewing and assessing the effectiveness of the internal controls, policies, programs, guidelines and procedures which form the Group's risk management framework reporting systems and processes for managing risk and controlling associated financial impacts;
- iii. reviewing and assessing Management's oversight of the Group's operations and risk; and
- iv. reviewing and recommending to the Board those Group risk management, reporting and governance policies which require Board approval.

#### **Legal and regulatory compliance**

- i. reviewing and assessing the effectiveness of internal processes for ensuring compliance with the Group's policies and procedures;
- ii. reviewing compliance reports prepared by Management in relation to the Group's compliance with statutory, legal and other regulatory requirements and identifying and considering any matters that may have a material impact on the Group's activities and report on those matters to the Board;





ASX:JYC

- iii. obtaining regular updates regarding any material litigation and any material risks relating to Group's compliance with statutory requirements; and
- iv. reviewing, assessing and monitoring the effectiveness of the Group's policies and procedures on continuous disclosure and reporting on these to the Board.

**Other areas of responsibility**

- i. overseeing the process for the receipt, retention and treatment of information received under the Group's Whistleblower Policy and procedures for complaints regarding matters relating to audit, financial statements, internal controls, misbehaviour, possible fraud or conduct that is in breach of the Group's Code of Conduct;
- ii. reviewing and assessing the adequacy of the Group's insurances, including Directors' and Officers' Liability insurance at least annually;
- iii. reviewing and making recommendations to the Board in relation to the rotation of the audit engagement partner; and
- iv. performing any other duty or undertaking that the Board may request from time to time.

**2. Structure and Composition**

- a) The Committee will comprise of:
  - i. members who have the necessary technical, accounting and financial expertise, as well as a sufficient understanding of the industries in which the Group's businesses operate, for the purpose of discharging the role of the Committee effectively and assessing and questioning information presented in Committee meetings; and
  - ii. at least one member who has relevant financial qualifications and experience.
- b) The Chair of the Committee will be appointed by the Board and must preferably be a Non-Executive Director who is not the Chair of the Board and is considered by the Board to be independent. Should the preferred Non-Executive Director candidate for the role of Chair be deemed to be not independent, the Committee reserves the right to appoint such a candidate as Chair, as long as the reasons for the candidate being deemed not independent do not create any conflicts of interest.
- c) The Board may determine the appointment and term of any member of the Committee at any time. Committee membership shall be reviewed on an ongoing basis by the Board.
- d) The Committee, through the Committee Chair, may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may require the Chief Financial Officer and the external auditors to attend any meeting of the Committee, for a duration as determined by the Chair of the Committee.
- e) The Committee will appoint a Committee Secretary who will act as secretary for all meetings of the Committee. The Committee Secretary or a nominee will take minutes, distribute these to Committee members for comment and have these approved by the Committee Chair as soon as practicable after each meeting.
- f) The minutes of each Committee meeting will be tabled as part of the Board papers for the next Board meeting occurring after the minutes have been approved by the Committee Chair.

**3. Meetings**

- a) The Committee will meet at least three (3) times annually and will hold additional meetings as it deems necessary.

30-32 Guthrie Street,  
Osborne Park WA 6017





ASX:JYC

- b) At a meeting of the Committee, the number of Committee members whose presence is necessary to constitute a quorum will be three (3).
- c) Any member of the Committee, Chief Financial Officer or the external auditors may request the Committee Chair to convene a meeting of the Committee at any time. That request will be in writing and include an outline of the purpose for that meeting.
- d) The Committee Chair will convene a meeting for a date no later than 21 days after receipt of that request.
- e) The Committee Chair is responsible for the conduct of all Committee meetings. Matters arising for determination at a Committee meeting must be decided by a majority of votes cast by the members present and entitled to vote on the matter. The Committee Chair has a casting vote, subject to the terms of the Constitution.
- f) The Committee Secretary is responsible for distributing meeting notices, agendas and Committee papers to members prior to each meeting.
- g) The Committee will be responsible for developing an annual agenda, to ensure that the Committee reviews, assesses or reports (as applicable) on each of the areas for which it is responsible under this Charter.

#### **4. Access to Information and Independent Advice**

- a) The Committee has the authority to require:
  - i. the attendance of any member of Management or employee of the Group at any Committee meeting;
  - ii. access to and meeting with, the external and any internal auditors without Management of the Group present; and
  - iii. unrestricted and unfettered access to any information, document, report or material in the possession of any manager, employee or entity of the Group. All employees and managers must comply with such requests from the Committee, subject to any legal requirements, including any fiduciary or statutory duties of Committee members.
- b) The Committee may engage any independent legal, financial or other advice as it considers necessary to perform its responsibilities under this Charter, at the Company's expense.

#### **5. Reliance**

- a) The Committee members are entitled to rely on:
  - i. information or advice provided by Management and employees of the Company on matters within their area of responsibility; and
  - ii. the advice of internal and external counsel and other experts on matters within their areas of expertise,provided that reliance is permitted by law.
- b) Before a Committee member can rely on information or advice referred to in clause 5a, the Committee member must be satisfied that:
  - i. there are no facts or circumstances that they are aware of, or ought to be aware of, which would prevent such reliance; and
  - ii. they have reviewed the information or advice, having regard to the member's knowledge of the Group.





ASX:JYC

**6. Reports to Board**

- a) The Committee will keep the Board informed of its activities through the provision of the minutes and Committee papers of each meeting. Additionally, the Committee Chair will formally advise the Chair of the Board of any matters or recommendations requiring the attention of the Board and will ensure that the Board are made immediately aware of any matters brought to the attention of Committee Chair that may significantly impact the financial condition or reputation of the Group.

**7. Review and Assessment**

- a) The Committee will assess its effectiveness periodically and report on its findings to the Board. The Committee will also participate in regular evaluations, as part of the Board and Committee review process.
- b) The Committee will ensure its members undergo ongoing training and professional development appropriate to ensure that all members are best placed to discharge the Committee’s responsibilities.
- c) The Committee will regularly review the Charter, with a view to amending the Charter, if necessary, to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meet the needs of the Company and the Committee.

<b>Authorised By</b>	<b>Chair of ARC</b>	DocuSigned by: <i>Travis McKenzie</i> 38D29B554C2D437...	<b>June 2023</b>
----------------------	---------------------	--	------------------

*Date for next review of this policy - May/June 2024*

