

Audit and Risk Committee Charter

Data#3 Limited ABN 31 010 545 267

This charter governs the operations of Data#3 Limited's Audit and Risk Committee.

Purpose and authority

The committee has been formed to assist the board in fulfilling its fiduciary duties, including oversight responsibilities for financial reporting, audit and internal controls, and operational risk and compliance management policies, systems and reporting.

The committee is authorised to investigate any matter brought to its attention with full access to all records and personnel of the company, external auditors and other advisers.

Composition

The board will determine committee members and the committee chair. The committee will consist of at least three independent members. Each committee member will need to be considered literate in financial and risk management matters. At least one member shall have accounting and/or related financial management expertise, as determined by the board.

Meetings

The committee will meet at least four times each year, with authority to convene additional meetings as circumstances require. All committee members are expected to attend each meeting, in person or through teleconference or video conference. The quorum for committee meetings will be two members. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Duties and responsibilities

The main duties and responsibilities of the committee are listed below. In addition, the committee will examine any other matters referred to it by the board.

Financial reporting:

- Reviewing significant accounting and reporting issues, including complex or unusual transactions, and recent professional and regulatory pronouncements, and understanding their effect on the financial reports.
- Reviewing with the external auditor and management the results of the audit, including any difficulties encountered.
- Reviewing the draft annual and interim financial reports of the company prior to consideration by the board, focusing in particular on whether they are complete and consistent with information known to the committee members, and reflect appropriate accounting principles.
- Reviewing other relevant sections of the annual report and related regulatory filings before release and considering the accuracy and completeness of the information.
- Reviewing with management and the external auditor all matters required to be communicated to the committee under the Australian Auditing Standards.
- Review with management Sustainability and climate risks reporting processes, including the disclosures to be made on Sustainability and climate risks in its periodic reports.

Internal control:

- Considering the effectiveness of the company's internal control systems, including information technology security and control.
- Understanding the scope of the external auditor's review of internal control over financial reporting, and obtaining reports on significant findings and recommendations, together with management's responses.

External audit:

- Reviewing the external auditor's proposed audit scope and approach.

- Reviewing the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.
- Reviewing and confirming the independence of the external auditor by obtaining statements from the auditor on relationships between the auditor and the company, including non-audit services.
- Meeting with the external auditor to discuss any matters that the committee or auditor believes should be discussed privately.
- Reviewing the performance of the external auditor, and recommending to the board on the appointment or discharge of the auditor.

Risk management:

- Overseeing the adequacy and implementation of the company's enterprise-wide risk management policy, framework and systems for management of the company's material business risks.
- Reviewing the risk appetite statement.
- Developing and refining the company's risk appetite in conjunction with the board.
- Monitoring, assessing the adequacy of, and making recommendations on, risk management policies in relation to the company's material business risks.
- Reviewing reports received from management and where appropriate making recommendations to the board. This will include matters relating to workplace health and safety and business continuity plans.
- Oversight of exposure to potential reputation and sustainability risk in strategy decisions, and overseeing internal control and performance systems, including risks and opportunities in relation to climate change.

Compliance:

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Reviewing the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtaining regular updates from management and the company's General Counsel about compliance matters.

Tax Governance:

- Overseeing taxation matters.
- Reviewing tax governance policies, processes, control framework and reporting.

Access and Advice:

- The committee shall have direct access to Data#3 management as appropriate and with board approval.
- The committee chair shall have the authority to directly seek independent, professional or other advisers as required for the committee to carry out its responsibilities.
- If the committee engages expert advisers on matters pertaining to financial or risk matters, those advisers are to provide advice directly to the committee, independent of management.

Reporting and other responsibilities:

- Reporting regularly to the board about committee activities, issues, and related recommendations.
- Reporting annually to the shareholders on the committee's composition, responsibilities and how they were discharged, and any other information required by regulation, including approval of non-audit services.
- Evaluating the committee's performance regularly as part of the overall board performance assessment process to determine whether it is functioning effectively by reference to current good practice.
- Reviewing the draft annual and sustainability reports of the company prior to consideration by the Board, focusing in particular on whether they are complete and consistent with information known to the committee members, and reflect appropriate accounting principles.
- Review and discuss the process by which management assures the integrity of information on key sustainability metrics released publicly in the sustainability and annual reports.

Review

The committee shall review and reassess the charter periodically and obtain the approval of the board for any changes.

The charter is published on the Data#3 website.