



Audit and Risk Committee Charter

Summary

This charter defines the role and responsibilities of the Audit and Risk Committee, how it is structured, and how it operates.





Authorisation

Adoption:	Board
Date:	11 December 2020
Version:	1.0

Amendment History

VERSION	AMENDMENT	COMMENCING
1.0	Initial document	11 December 2020





Contents

Summary.....	1
Authorisation	2
Amendment History	2
Contents	3
1. Purpose.....	4
2. Accountability.....	4
3. Governance	4
4. Role of the committee	4
5. Audit responsibilities.....	4
a. Financial reporting	4
b. External audit.....	5
c. Internal audit.....	5
6. Risk responsibilities.....	5
a. Risk management.....	5
b. Internal controls.....	6
7. Authority	6
8. Meetings.....	6
9. Reporting	6
10. Review	7



1. Purpose

This charter defines the role and responsibilities of the Audit and Risk Committee, how it is structured, and how it operates.

2. Accountability

The Audit and Risk Committee is accountable to the Board.

3. Governance

The role of the committee regarding governance includes to:

- Ensure that the chair is an independent director.
- Ensure that the committee has at least three members, a majority of whom are independent directors.

The Board appoints the committee members, the chair and, if the committee has one, the deputy chair and/or the senior independent director.

4. Role of the committee

The role of the committee is to assist and advise the Board through the review and approval of:

- Financial reports.
- Internal and external audit processes and plans.
- The risk management framework.
- Internal control processes.

and the review of:

- The effectiveness of compliance and risk management functions.
- Compliance with applicable legal and regulatory requirements.

5. Audit responsibilities

a. Financial reporting

The committee will review and provide recommendations to the Board on:

- Mighty Kingdom's financial position including solvency.
- Annual financial statements.
- Management representation letters.
- Financial reports and forecasts for continuous disclosure and other purposes.
- Accounting policies.
- Dividend payments.



b. External audit

The committee will oversee the external audit process, facilitate resolution of any conflicts, and manage communication between the auditor and the Board.

The committee will review and provide recommendations to the Board on the:

- Appointment, reappointment, removal, and remuneration of the external auditor.
- Scope of annual external audit plans.
- Outcomes and quality of annual external audits.
- Adequacy of management actions to address any significant findings.
- Approval of non-audit services by the auditor.
- Independence of external auditors including disclosures, non-audit services provided, and rotation of lead audit partner at least every five years.

c. Internal audit

The internal audit function will be managed and provided by an external service provider. The committee will oversee the internal audit process, facilitate resolution of any conflicts, and manage communication between the service provider and the Board.

The committee will review and provide recommendations to the Board on the:

- Internal audit policy.
- Appropriateness of the internal audit budget and management.
- Appointment, reappointment, removal, and remuneration of the service provider.
- Outcomes and quality of annual internal audits.
- Adequacy of management actions to address any significant findings.
- Approval of non-audit services by the service provider.
- Independence of the service provider including disclosures, non-audit services provided, and rotation of lead audit partner at least every five years.

6. Risk responsibilities

a. Risk management

The committee will review and provide recommendations to the Board on the:

- Risk profile and appetite guidance for management.
- The risk management culture in Mighty Kingdom and actions for its improvement.
- Adequacy and effectiveness of the risk management framework and the processes for identifying, assessing, monitoring, and managing risk.
- Disclosure of risks in external reporting.



- Insurance coverage.

b. Internal controls

The committee will review and provide recommendations to the Board on the:

- Adequacy of controls and processes for financial risk and protection of Mighty Kingdom's assets.
- Adequacy of controls and processes for operational risks including workplace health & safety, quality, cyber security, and disaster recovery & business continuity plans.
- Response to major incidents such as fraud or whistle blowing plus material code of conduct violations, legal action, or internal controls failures.
- Quality of management judgement.

7. Authority

The committee:

- Will have access to all Board members, employees, contractors, auditors, consultants, and advisers.
- Can, through the Managing Director, engage external consultants.

as required to discharge its responsibilities.

8. Meetings

Committee meetings proceedings will be governed by the rules set out in Mighty Kingdom constitution for Board meetings with the following changes:

- The committee will meet as required to fulfil its responsibilities, but no less than twice per financial year.
- The quorum is at least two members of the committee.
- If the Chairperson is absent, the members present will appoint one of themselves to chair the meeting.
- Minutes of the meeting will be kept.
- The Committee can invite other persons to attend its meetings as required.
- The Managing Director, Executive Director, and CFO will attend each meeting with a standing invitation to all Board directors.

9. Reporting

The committee's chair will report to the Board:

- The proceedings and outcomes from each meeting.
- Incidents of fraud or whistle blowing, plus material code of conduct violations, legal action, or internal controls failures.





- The committee membership, the member's qualifications, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings.

10. Review

This charter will be reviewed by the Board as required and at least annually.

