



# Audit, Risk and Compliance Committee Charter

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oOh!media Limited (**Company**)

ACN 602 195 380

Adopted by the Board on **28 November 2014**

**Updated to 20 December 2019**

# Audit, Risk and Compliance Committee Charter

## 1 Introduction

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The Audit Risk and Compliance Committee, appointed by the Board of the Company performs the functions outlined in this charter, having regard to principles of good corporate governance, international best practice and applicable laws.

This Charter is to be reviewed by the Board as required and at least annually.

## 2 Membership of the Committee

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The Board appointed Committee must consist of:

- only non-executive directors;
- a majority of independent directors;
- an independent Chair, appointed by the Board, who is not Chair of the Board; and
- a minimum of 3 members of the Board.

The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution.

Members may withdraw from membership by written notification to the Board.

All Directors of the Company are entitled to attend meetings of the Committee. Other non-committee members, including members of management and the external and internal auditor, may attend meetings of the Committee at the invitation of the Committee Chair.

It is intended that the members of the Committee between them should have the accounting and financial expertise, the necessary technical knowledge and a sufficient understanding of the industry in which the Company operates, to be able to discharge the Committee's mandate effectively.

The Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

## 3 Administrative matters

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### 3.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet quarterly.

### 3.2 Quorum

The quorum is at least 2 members.

### 3.3 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Board, of every meeting of the Committee. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### 3.4 Chair

In the absence of the Committee Chair, the Committee members must elect one of their number as Chair for that meeting. The Committee Chair has a casting vote.

### **3.5 Access to resources and independent advisors**

The Committee has rights of access to management and to external auditors /resources without management present, and rights to seek explanations and additional information from both management and auditors (both external and internal as applicable and with or without management present).

The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants or specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee considers necessary or appropriate.

### **3.6 Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary (or his or her delegate) and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any director.

### **3.7 Reporting**

It is intended that a report of the actions of the Committee or a copy of the minutes of the Committee meeting or both will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee Chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

The Committee may also recommend any changes to this Charter to the Board for approval.

The Committee will also provide a report of the self-assessment regarding the effectiveness of the Audit, Risk and Compliance Committee on a regular basis to the Board and at least annually (this may also be completed via a broader Board performance evaluation).

## **4 Role & Responsibilities**

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### **4.1 Overview**

The Committee's key responsibilities and functions are to:

- (a) oversee the Company's relationship with the external and internal auditor and the external and internal audit function generally;
- (b) oversee the preparation and integrity of the financial statements and reports;
- (c) oversee the Company's financial controls and systems; and
- (d) oversee the process of identification and management of risk (both financial and non-financial risks).

### **4.2 Audit**

The Committee's primary roles in relation to audit are to review and make recommendations to the Board in relation to:

- (i) the reporting of financial information;
- (ii) the appropriate application and amendment of accounting policies; and

- (iii) the appointment, independence and remuneration of the external auditor (including the fees payable to the auditor for audit and non-audit work) and internal auditor.

In discharging these roles, the Committee will review and make recommendations to the Board regarding:

- (a) the Company's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.
- (b) the Company's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company, as a basis for recommendation to and adoption by the Board.
- (c) reports from the external auditor on the Company's financial statements.
- (d) the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Company's financial reports.
- (e) procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- (f) procedures in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.
- (g) the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.
- (h) the scope and adequacy of the external audit.
- (i) the performance, independence and objectivity of the external and internal auditors.
- (j) the procedures for selection and appointment of the external auditors and for the rotation of external audit engagement partners.
- (k) for the appointment, compensation, the terms of engagement and other contractual terms of the external auditors.
- (l) the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy.
- (m) whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's annual report.
- (n) the annual internal audit plan and activities and management's responses to internal audit findings and status of any outstanding action items.

### **4.3 Risk and compliance**

The Committee's primary roles with respect to risk management and compliance are to review and report, with recommendations as required, to the Board that:

- (i) the Committee has, at least annually, reviewed the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- (ii) adequate policies and processes have been designed and implemented to manage identified risks;

- (iii) at least annually an audit has been undertaken to test the adequacy of and compliance with prescribed policies; and
- (iv) proper remedial action is undertaken to redress areas of weakness.

In discharging these roles, the Committee will evaluate the adequacy and effectiveness of the following and provide a report and recommendations as required regarding:

- (a) management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board.
- (b) any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned".
- (c) reports from internal audit on its reviews of the adequacy of the Company's processes for managing risk.
- (d) reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.
- (e) management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.
- (f) the Group's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.
- (g) the structure of the Group's business continuity plans.
- (h) the Group's identification and management of economic, environmental and social sustainability risks and its disclosure of any material exposures to those risks.
- (i) the structure and adequacy of the Group's insurance program having regard to the Group's business and the insurable risks associated with its business annually.
- (j) the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies and the risk appetite that is appropriate for the Company.
- (k) the risk disclosures in the Company's operating and financial review in its annual report.
- (l) maintenance of processes to ensure that there is:
  - an adequate system of internal control, management of business risks and safeguard of assets; and
  - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- (m) the Group's exposure to fraud, oversee investigations of allegations of fraud or malfeasance and make recommendations to the Board in relation to any incident involving fraud or other break down of the entity's internal controls.
- (n) the Group's main corporate governance practices for completeness and accuracy.
- (o) the procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices, occupational health and safety, and the environment).
- (p) the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements).

- (q) policies and culture with respect to the establishment and observance of appropriate ethical standards (including the Code of Conduct)
- (r) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.

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## 4 Relationship with the external auditor

The Committee provides a link between the external auditor and the Board and has the responsibility and authority for the appointment and removal of the external auditor and to review the terms of its engagement.

The Committee is responsible for overseeing the Company's external audit policy, a copy of which is attached as Attachment 1.

## 5 Review

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The Committee will, at least once in each year, review the membership and, at least every two years, the Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

# Attachment 1

## External Audit Policy

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### Appointment

The Audit, Risk and Compliance Committee (**Committee**) has the responsibility and authority (subject to *Corporations Act 2001* (Cth) requirements) for the appointment, reappointment or replacement and remuneration of the external auditor as well as evaluating its effectiveness and independence. The Committee will review the appointment of the external auditor annually based on its assessment of the auditor's performance.

### Assessment of External Auditor

The Committee will review the performance of the external auditor on an annual basis after completion of the year-end audit. In evaluating the effectiveness of external audit, the Committee will assess the effectiveness of the external auditor based on a number of criteria including but not restricted to:

- the overall comprehensiveness of the external audit plan;
- the timeliness and quality of communications promised under the plan and delivered during the audit;
- the competency and industry knowledge of external audit staff; and
- the adequacy of resources to achieve the scope as outlined in the plan.

The Committee will seek feedback from management during the assessment process.

### Independence

The Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

Prior to this review, the Committee will request a report from the external auditor which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence.

The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.

Before the directors approve the half-year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

The Committee has responsibility to develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and to ensure compliance with that policy.

### Rotation of External Audit Engagement Partner

The external audit engagement partner is generally required to rotate at least once every 5 years. If appropriate, the Board may extend the eligibility term of the audit engagement partner following a recommendation from the Committee in accordance with the *Corporations Act 2001* (Cth).