

koala[®]

AUDIT AND RISK COMMITTEE CHARTER

The Koala Company Ltd
ACN 619 538 671



AUDIT AND RISK COMMITTEE CHARTER

The Koala Company Ltd

1. Purpose

The purpose of the Audit and Risk Committee is to provide a structured, systematic oversight of Koala's governance, risk management, and internal control practices. The Audit and Risk Committee assists the board and management of Koala by providing independent advice and guidance regarding the adequacy and effectiveness of Koala's management practices and initiatives for:

- Governance structure and risk management;
- Financial statements, underlying financial policies and regulatory reporting;
- Internal Control framework;
- Financial management and reporting of fraud; and
- Compliance with laws, regulations, ethical requirements, internal policies and industry standards.

In addition, the Audit and Risk Committee will have oversight of the internal audit activity, external auditors and other providers of assurance.

2. Authority

The charter sets out the authority of the Audit and Risk Committee to carry out the responsibilities established by the board and empowers the Audit and Risk Committee, through the Audit and Risk Committee chair, to:

- Appoint, compensate and oversee all audit and non-audit services performed by the auditors;
- Resolve any disagreements between management and the auditor regarding financial reporting and other matters;
- Pre-approve all audit and non-audit services; and
- Receive any information it requires from employees or external parties to discharge its responsibilities.

Koala management and staff should cooperate with all Audit and Risk Committee requests and the Audit and Risk Committee may engage independent counsel and other advisors if it deems necessary to carry out its duties.



3. Role and responsibilities

The role of the Audit and Risk Committee includes:

Audit

The committee will:

- review the audited annual financial statements before their presentation to the board, to ensure they represent a true and fair view of the organisation's financial position and performance and the organisation's cash flow;
- meet with the external auditors to review results and discuss the adequacy and effectiveness of accounting and financial controls and any issues the external auditors wish to raise;
- ensure a system is in place to assess the appropriateness and compliance with the organisation's internal control systems;
- ensure the independence of the external auditor

Financial Management

The committee will:

- advise the board on financial management and reporting matters, including the financial processes and procedures of the organisation;
- review the organisation's monthly financial reports in a timely manner, making recommendations to the board as required;
- monitor the solvency of the organisation and raise any concerns to the board's immediate attention.

Risk Management

The committee will:

- assess and monitor risks to the organisation and recommend strategies to the board to manage and mitigate the identified risks through the risk management plan;
- monitor compliance with applicable laws, regulations, standards, contracts and best practice guidelines;
- review the level and type of insurance coverage for the organisation and make recommendations to the board as required.

4. Composition

The Audit and Risk Committee will consist of at least three, and usually no more than five, members of the board, with a majority independent. The board will appoint Audit and Risk Committee members and the chair of the committee.

The chair of the committee must be non-executive and independent, and where possible, not the chair of the board.



5. Invitees

Other people may attend meetings of the Audit and Risk Committee by invitation, these will include:

- Chief Executive Officer
- Chief Financial Officer
- General Counsel
- Company Secretary
- External audit provider

The attendees may take part in the business and discussions but have no voting rights.

On occasion, the executive and management personnel may be asked to leave the meeting because the committee requires a closed session with or without the external audit provider.

6. Meetings

The Audit and Risk Committee will meet at least two times a year and as frequently as required to fulfill its role.

A request for a meeting from the external auditors must be met.

A quorum will be more than half of the members.

Meetings may be held face to face or using any technology which enables members to participate in a discussion.

The notice of each meeting confirming the date, time, venue and agenda (including relevant supporting papers) will be forwarded to each member a reasonable time before the date of the meeting.

In the chair's absence, the members who are present will select a chair for that particular meeting.

7. Voting

Matters will generally be decided by consensus or, if a consensus can't be reached, by a majority of votes from the members present

8. Minutes

Minutes must be prepared, approved by the chair and circulated to the members within one month of a committee meeting. The minutes must be ratified by the Committee and signed by the chair at the following meeting.

9. Reporting to the board

The chair of the Audit and Risk Committee is to report to the board following each committee meeting.



The minutes will be included in the following Board Pack. The chair may also distribute other necessary information, including recommendations requiring board action and/or approval.

The chair is to organise the information relating to the Audit and Risk Committee to be included in the organisation's annual report if required.

10. Review of Committee Effectiveness

The Audit and Risk Committee will review its performance on an annual basis. The review may be conducted as a self assessment and will be coordinated by the chair

11. Standard Reports and Agenda

The standard reports to be provided before each Audit and Risk Committee meeting include:

- Minutes of Previous Audit and Risk Committee Meeting - for approval
- Action items
- Treasury and Cashflow report
- Risk Matrix
- Legal, Compliance and Regulatory report
- Tax compliance report

12. Charter Review

The Board shall review this Charter every two years or as required, after the annual Board performance assessment. Any modifications to or replacements of this Charter must be approved by the Board.

Charter adopted by Board resolution on 8 November 2024