

TASK GROUP

# Audit and Risk Management Committee Charter

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OCTOBER 2022

**TASK.**

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## 1. Introduction

The Audit and Risk Management Committee (**Committee**) is a sub-committee of the board of directors of TASK Group Holdings Limited (**TASK** or **Company**).

This Audit and Risk Management Committee Charter (**Charter**) outlines the objectives, roles, responsibilities, authority, composition and procedural matters relating to the function of the Committee.

## 2. Purpose

The Committee's role is to assist TASK's board to fulfill its responsibilities in relation to:

- financial reporting principles and policies, controls and procedures;
- the integrity of TASK's financial statements;
- external audit functions;
- internal control processes and effectiveness, including controls to safeguard TASK's assets;
- risk management; and
- compliance with applicable legal and regulatory requirements.

## 3. Committee membership

TASK's board of directors (**Board**) will appoint and remove the members of the Committee and the chair of the Committee (**Committee Chair**).

To the extent practicable for the entity's size and its board composition, the Committee will comprise at least three members. All members must be non-executive directors and all of, or a

majority of, the non-executive directors, must be independent.

The Board will seek, where possible and appropriate having regard to the qualifications, skills and experience of the directors at that time, to appoint as Committee Chair a non-executive director who is independent. If the Committee is not fully comprised of independent non-executive directors then the Board will use its best endeavors to ensure that the Committee Chair is at least independent, failing which the Chair may not be independent. The Committee Chair will not be the same as the chair of the Board.

All Committee members must be financially literate, and to the extent practicable based on the composition of the Board from time to time, at least one member shall have accounting and/or related financial management expertise.

## 4. Committee meetings – procedural requirements

### 4.1 Frequency

- The Committee is to meet at least two times per year.

### 4.2 Invitees

- All directors of TASK have a standing invitation to attend Committee meetings.
- If the Committee determines it necessary, it may invite members of management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), to attend all or part of any Committee meeting.

- Any member of the Committee may, with the Committee Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.
- The partner in charge of the external audit will be invited to relevant parts of Committee meetings as deemed necessary by the Committee Chair.
- The Committee Chair will, at least once per year, hold a meeting with the external auditor independent of executive management.

### 4.3 Quorum

- Unless determined otherwise by the Board, a quorum may be formed by any two Committee members, although it is expected that all members will make every effort to participate in Committee meetings (either in person or by conference call or similar means) and non-attendance will only be in exceptional circumstances.

### 4.4 Method and materials

- Agendas for Committee meetings will be prepared by the Company Secretary in consultation with the Committee Chair.
- Committee papers and minutes of Committee meetings will be prepared as soon as practicable following a meeting and will be distributed to the members of the Committee for approval and, following approval, to all other members of the Board. A report on matters addressed by the Committee will be provided at the next meeting of the Board, and the Committee Chair must seek the approval of the Board on any recommendation of the Committee that requires Board approval.
- If the Committee Chair is absent from a meeting and no acting Committee Chair has been appointed, the members present may

choose one of them to act as Committee Chair for that meeting.

- Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- The Company Secretary will attend all Committee meetings and will provide such assistance as may be required by the Committee Chair in relation to the preparation of any documentation required by the Committee for its meetings.

### 4.5 Voting

- Each member of the Committee will have one vote.
- The Committee Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- The Committee may ask any person to withdraw from any part of any meeting where there is an actual or potential conflict of interest.

## 5. Duties and responsibilities

The primary responsibility of the Committee is to provide appropriate advice and recommendations on, and report to, the Board on the matters set out in this Charter.

### 5.1 Financial reporting and the integrity of the financial statements

In connection with the Company's financial reporting obligations the Committee's responsibilities will include:

- Review the Company's annual audited financial statements and recommend approval by the Board. The Committee's review should cover the following:
  - any significant accounting estimates and judgements included in the financial statements;

- compliance with applicable accounting standards, stock exchange requirements and statutory requirements relating to financial reporting; and
  - receipt of a declaration from the CEO and CFO to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, the adequacy of the processes used to prepare the financial reports and the judgements and positions adopted by management in preparing the Company's financial reports.
  - Review and approve all significant changes in accounting policies or practices.
  - Review all representation letters assigned by management in connection with the preparation of TASK's financial reports to ensure that all relevant matters are addressed.
  - Review the impact of any significant regulatory, accounting or reporting issues on the Company's financial reporting processes.
  - Consider the external auditor's report on the Company's financial statements.
  - Review and recommend for Board approval, releases relating to interim and annual financial statements which are required to be made to the ASX and NZX.
  - Review and confirm the integrity with the CFO of any periodic corporate report that contains financial information that is not

subject to an audit or review by an external auditor prior to release to market, and discuss the material with the CFO, before recommending the periodic corporate report for Board approval and release to the market.

The Committee Chair or, if the Committee Chair is not available, a Committee member should attend the Annual General Meeting of TASK and be available to answer any questions from shareholders about the Committee's activities or the conduct of the audit and the Company's financial reporting. The external auditor will be invited to each Annual General Meeting of TASK to answer questions with respect to the Company's financial reports.

## 5.2 External audit functions

In order to fulfil its responsibilities to the Board, the Committee will:

- make recommendations to the Board on the appointment, reappointment or replacement (subject to applicable legal requirements) of the external auditor. The Committee will monitor and report to the Board on the effectiveness, performance and independence of the external auditor, and the rotation of the audit engagement partner;
- review, approve and report to the Board on the fees for, and the terms of, the external auditor's engagement, and on the scope and adequacy of the audit plan of the external auditors; and
- review and report to the Board on the provision of non-audit services by the external auditors and whether it might compromise the independence of the external auditor.

## 5.3 Internal controls and compliance

As at the date of this Charter, TASK does not have an internal audit function in which case it relies on the processes set out below with

respect to maintaining internal control processes and compliance.

The Committee will review and report to the Board on the overall adequacy and effectiveness of:

- internal control systems, including accounting and financial controls, and compliance with those controls;
- controls and processes to safeguard TASK's assets;
- compliance with applicable laws and regulations, including taxation compliance;
- ongoing compliance within TASK of its Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Policy; and
- TASK's insurance coverage, having regard to the Company's business and the insurable risks associated with the business.

The Committee will review and report to the Board on:

- any material threatened or actual claims or issues of which the Committee is aware in relation to financial, tax or legal matters;
- any recommendations in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board; and
- any material incident of which the Committee is aware implicating non-compliance with internal controls, incidents of fraud or a break-down in the Company's risk controls.

## 5.4 Risk Management

The Committee will:

- assess and review the overall adequacy and effectiveness of TASK's risk management framework, and the methodology and processes for assessing, monitoring and managing financial and non-financial risks;

- monitor management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
- consider whether TASK has any material exposure to environmental or social risks, and if it does, provide a report to the Board on how it intends to manage those risks;
- receive 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;
- assess and review whether adequate policies and procedures have been designed and implemented to manage identified risks; and
- assess and review whether processes are in place to ensure that proper remedial action is undertaken to address areas for improvement.

The Committee will conduct the reviews provided in section 5.4 at least annually and report to the Board with the results. The Company will disclose in each reporting period whether the reviews in section 5.4 have taken place.

## 5.5 Related party transactions

In order to fulfil its responsibilities to the Board, the Committee will review and monitor related party transactions and any activities involving TASK and any of its directors. Any related party transaction (whether material or otherwise) must receive the prior approval of the Committee before they are entered.

## 6. Authority

The Committee will not take any actions or make decisions on behalf of the Board unless specifically mandated to do so. However, the Committee has the delegated authority of the Board to fulfil the duties and responsibilities in

this Charter, subject to the Committee keeping the Board informed of its activities, and subject to any legal or regulatory obligation on the Board, to:

- retain, terminate and consult with independent external advisers (including any external accounting, legal, tax or other professional advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives, acting reasonably) at TASK's expense;
- discuss directly with management or the external auditors any issue within its remit and to request reports, explanations and information;
- access such internal resources at TASK as it may consider necessary or desirable to fulfil its objectives;
- delegate any of its responsibilities to the Committee Chair from time-to-time and on such occasions that the Committee considers appropriate;
- investigate any activity within the Committee's responsibilities under the terms of this Charter; and
- communicate with any TASK employee to seek any information required for the Committee to carry out its role.

## **7. Review of Charter**

This Charter, and the Committee's performance against this Charter, will be reviewed from time to time and may be updated as and when determined by the Board.

This Charter was last reviewed in October 2022.