



## **KANGAROO ISLAND PLANTATION TIMBERS LTD AUDIT AND RISK COMMITTEE CHARTER AND TERMS OF REFERENCE**

### **Terms of Reference**

Adopted by the Kangaroo Island Plantation Timbers Ltd's Board on 24 September 2013 and reviewed annually, latest review 23 September 2019.

### **Purpose**

The Audit and Risk Committee ("the Committee") is a committee of the Kangaroo Island Plantation Timbers Ltd's Board created to assist the Board in the effective discharge of its responsibilities for financial reporting, internal control structures, internal and external audit functions and risk management systems. For the avoidance of doubt this includes environment matters.

### **Membership**

The Committee will consist of two members, all of whom shall be non-executive directors.

The Committee members must be appropriately financially literate and at least one member must have accounting or associated financial management experience. The Chairman, members, and term of appointment of each member shall be determined by the Board.

The Chairman of the Committee must not be the Chairman of the Board.

### **Meetings**

The Committee shall meet as frequently as required but not less than two times a year.

The Chairman or the Secretary may call a meeting.

Two non-executive Directors shall constitute a quorum.

The Committee will meet with the external auditors and/or the internal auditors (if applicable) without members of management being present whenever it is deemed appropriate by the Chairman of the Committee.

### **Role and Responsibilities**

To review and report to the Board on the following:

- (a) the annual and half yearly financial reporting carried out by the Kangaroo Island Plantation Timbers Ltd
- (b) the accounting policies of the Group;
- (c) the scope and audit programs of the external auditors and any material issues arising from these audits;
- (d) overseeing the independence of external auditors and determining procedures for the rotation of audit partners;
- (e) the effectiveness of the Group's systems of accounting and internal controls;
- (f) the sufficiency of and compliance with ethical guidelines and Group policies affecting corporate governance, financial reporting and corporate control, and compliance with laws and external regulations;
- (g) identification of the full range of actual or potential risk exposures which are material to the Group; and
- (h) the effectiveness of the group's risk management systems and strategies.

In addition the Committee will:

- recommend to the Board the appointment of external auditors and the level of their fees; and
- review and approve the appointment and dismissal of the Chief Risk Officer, if one appointed (the executive responsible for internal audit).

The Chairman of the Committee will report to the Board following each Committee meeting.

The Committee's Terms of Reference shall be reviewed annually and updated as required.

### **Authority**

In carrying out its duties the Committee shall have the authority to discuss directly with management, internal auditors or the external auditors any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Group. The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary.