



Audit Committee Charter

1. ROLE

The role of MACA Limited (“MACA” or the “Company”) Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit Committee’s function, composition, mode of operation, authority and responsibilities.

2. COMPOSITION

The Audit Committee shall comprise at least three non-executive directors with a majority of members to be independent non-executive directors.

- The Board will appoint members of the Committee and may remove and replace members of the Committee by resolution.
- All members of the Committee must be able to understand and interpret financial statements.
- The Chairman shall have leadership experience and preferably a strong business, finance, or accounting background and be a person other than the Chairman of the Board.
- The external auditors, the other Directors, Managing Director, Chief Financial Officer, Company Secretary and senior executives may be invited to Committee meetings at the discretion of the Committee.

3. PURPOSE

The primary purpose of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- the quality and integrity of the Company’s financial statements, accounting policies, financial reporting and disclosure practices;
- compliance with all applicable laws, regulations and company policy; the effectiveness and adequacy of internal control processes; the performance of the Company’s external auditors and their appointment and removal; and
- the identification and management of key financial and/or business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

4.1 Review of Financial Reports

- Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company’s financial reporting framework.
- Oversee the financial reports and assess information from the external auditor that affects the quality of financial reports.
- Assess whether external reporting is adequate for shareholder needs.

- Assess management processes supporting external reporting.
- Establish procedures for treatment of accounting complaints.
- Review the impact of any proposed changes in accounting policies on the financial statements.
- Review and monitor the propriety of any related-party transactions.
- Review the half yearly and annual results.
- Recommend to the board whether the financial statements should be signed based on the committee's assessment of them.

Obtain from the Chief Executive Officer and the Chief Financial Officer a written statement to the Board each half and full year confirming that the financial records of the Company have been properly maintained, and that the Company's financial reports for the financial year comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.

4.2 Relationship with External Auditors

- Recommend to the Board procedures for the selection, appointment, reappointment or termination and remuneration of the external auditors and for the rotation of the external auditor partners.
- Monitor the effectiveness and independence of the external auditor.
- Invite the external auditor to attend relevant committee meetings to review the audit plan (particularly any identified risk areas) and fees, discuss audit results and consider the implications of the external findings.
- Provide the opportunity for the committee members to meet with the external auditors at least twice a year without management being present and at any other time the Committee considers appropriate.
- Ensure adequate disclosure of the Committee's approval of all non-audit services provided by the external auditor as may be required by law.
- Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.

4.3 Internal Audit Function

- Monitor the need for a formal internal audit function and its scope.
- Assess the performance and objectivity of any internal audit procedures that may be in place.
- Review governance requirements, financial risk management and internal compliance procedures.
- Monitor the quality of the accounting function.
- Review the Internal Control Reports on a quarterly basis.

5. MEETINGS

- The Committee's will meet at least twice each year and additionally as circumstances may require for it to undertake its role effectively.
- Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- Decisions will be based on a majority of votes with the Chairman having a casting vote.

6. SECRETARY

- The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- An employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- A professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- Another Director or officer of the Group in relation to matters within the Director's or officer's authority.

8. ACCESS TO ADVICE

- Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- Members of the Committee may meet with the auditors, both internal and external, without management being present.
- Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9. REPORT TO THE BOARD

- The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role.
- The Committee is required to brief the Board promptly on all urgent and significant matters.

10. REVIEW OF CHARTER

- The Committee and the Board will conduct an annual review of the performance of the Committee including the performance of individual Committee members.
- The Committee will review this Charter at least annually and make recommendations to the Board in relation to any proposed changes.
- The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

Board ratified July 2019