



Shine Bright EYM

AUDIT AND RISK COMMITTEE CHARTER

1) Purpose of Charter

- a) This Charter sets out the authority, role, membership and operation of the Audit and Risk Committee of SHINE BRIGHT.

2) Authority

- a) Recommendations will be referred to the Board for consideration.
- b) The Board Authorises the Audit and Risk Committee, through the chair to;
 - i) Appoint, compensate and oversee the work of any registered External Auditor employed by the organisation
 - ii) Resolve any disagreements between management and the auditor on financial reporting
 - iii) Pre-Approve all auditing and non-auditing services
 - iv) Retain independent counsel, accountants or others to advise the auditor committee or assist in the conduct of an investigation
 - v) Seek any information it requires from employees who are directed to co-operate with the Audit Committees requests, or from external parties.
- c) The Committee may request any employee to attend any meeting as it considers appropriate. However, if an employee has a material personal interest in a matter that is being considered at a meeting, he/she must not be present for consideration of that matter.
- d) Access to Independent Professional Advice
 - i) Each director is able to seek independent professional advice at the Company's expense, with the prior approval of the Chair of the Board. Any such advice received is made available to all members of the Board.

The Committee may conduct or direct any investigation to fulfil its responsibilities and may retain, at the Company's expense, any legal, accounting or other services that it considers necessary from time to time to perform its duties.

3) Responsibilities and Duties of the Committee

- a) The Audit and Risk Committee is a committee of the Board of Directors. Its functions are to:
 - i) review the integrity of SHINE BRIGHT's financial reporting;
 - ii) develop and monitor an Annual Plan of high areas of risk to be monitored, improved and reported upon;

- iii) review and where applicable assess the external auditors' activities, scope and independence;
- iv) review the adequacy and effectiveness of SHINE BRIGHT's risk management program;
- v) review and assess the adequacy of management information and internal control structures;
- vi) provide assurance that SHINE BRIGHT is providing adequate controls against fraud;
- vii) maintain a list of committee tasks, and ensure compliance with that list on a timely basis.

b) **Review of Internal Controls and Risk Management**

- i) Assess the internal processes for determining and managing key risk areas, particularly
 - (1) Litigation and claims
 - (2) Fraud and theft
 - (3) Relevant business risks other than those dealt with by other Board Committees
- ii) Ensure the company has effective risk management systems and that material risks are reported to the Board
- iii) Address the effectiveness of internal control, risk management and performance Management systems with management and external auditors

4) **Membership**

- a) The Committee is appointed by the Board in accordance with the Company's Constitution.
- b) The Committee is comprised of a minimum of two non-executive directors who shall form a majority of the Committee.
- c) Rotation of Membership will be governed by a 2 year term. Upon a position becoming vacant all Directors will be offered an invitation to nominate for the vacant position and the outgoing member will duly be given the opportunity to re-nominate for the position or another position that has become vacant.
- d) The 2 year term will commence from the first meeting that a Director becomes a member of the committee.
- e) All members of the committee will not vacate their respective positions on the committee simultaneously and in the event this was to happen at least one of the current members must renominate.
- f) All directors have a standing invitation to attend the committee meetings.
- g) All members of the committee should be financially literate, that is able to read and understand financial statements; at least one member should have relevant qualifications and experience, that is, should be a qualified accountant or other financial professional with experience of financial and accounting matters and some members should have an understanding of the industry in which SHINE BRIGHT operates.

- h) Employees will not be members of the Committee but will be invited to attend meetings as required by the Committee. Key staff members generally invited to attend will include the CEO and Finance and Business Operations Manager but this will not preclude the invitation of other key staff members as deemed appropriate.

5) **Meetings**

- a) The Committee meets at least twice a year but initially quarterly or more frequently as required.
- b) As required by the SHINE BRIGHT Constitution a quorum for a committee is a majority of members.
- c) Without the presence of management, the Chair of the Committee meets at least annually with the external auditor and separately with the internal auditor (if one is employed). Additionally, the Committee sets aside time at each meeting for private discussion with the external auditor present.

6) **Whistleblower Protection**

- a) Confidential reporting of unacceptable or undesirable conduct may be made either to a protected disclosure committee member or directly to the Audit and Risk Committee. The Audit and Risk Committee will ensure that employees may make confidential, anonymous submissions regarding such matters.

7) **Committee Performance**

- a) To determine whether it is functioning effectively, once each year the committee shall review this charter, and provide a list of what the committee has achieved to the Chair of the Board, who will conduct a review of the performance of the committee and submit a report to the Board

Approved by the Board 18 November 2019.