

QUICKSTEP HOLDINGS LIMITED

AUDIT, RISK and COMPLIANCE COMMITTEE CHARTER

GENERAL

The purpose of the Audit, Risk and Compliance Committee (“Committee”) is to assist the Board in fulfilling its corporate governance and oversight responsibilities and the effective discharge of its responsibilities by:

- (a) monitoring and reviewing
 - the integrity of internal and external financial reporting;
 - internal financial controls and business processes;
 - the effectiveness of management of the Group’s material risks; and
 - the independence, objectivity and effectiveness of the external auditors

- (b) making recommendations to the Board in relation to the appointment of the external auditors, the approval of their remuneration and the terms of their engagement

The Committee has authority from the Board to review and investigate any matter within the scope of its charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

The Committee has unrestricted access to employees, records, external auditors, tax and other financial, insurance or legal advisers engaged by Quickstep. The Committee is authorised to take advice from any external parties as appropriate at Quickstep’s expense. The external auditors will have direct access to the Committee and to the Board via their respective Chairs.

In this Charter the following terms have the following meanings:

- “**ASX**” means the Australian Stock Exchange
- “**ASX Listing Rules**” means the rules of the Australian Stock Exchange
- “**ASX Principles and Recommendations**” means ASX Corporate Governance Principles and Recommendations as amended from time to time
- “**Board**” means the Board of Quickstep.
- “**Committee**” means the Audit, Risk and Compliance Committee
- “**Director**” means a member of the Board of Quickstep.
- “**Quickstep**” means Quickstep Holdings Limited and its subsidiaries.
- “**Non-executive Director**” means a Director who is not employed in an executive capacity by Quickstep.

COMPOSITION

The Committee will consist of only non-executive Directors and have at least three members, all of whom must be independent, as determined by the Board in accordance with the requirements of the ASX Listing Rules, the ASX Principles and Recommendations and having regard to best practice principles from time to time.

The audit committee should be of sufficient size and independence, and its members between them should have the accounting and financial expertise and a sufficient understanding of the industry in which the entity operates, to be able to discharge the committee’s mandate effectively.

The Chair of the Committee should be an independent director and must not be the Chair of the Board.

The Company Secretary or their nominee will act as the Secretary to the Committee.

MEETINGS

The Committee must meet as often as required but must not meet less than three times each year. Meetings, where appropriate, should coincide with key dates in Quickstep’s financial reporting cycle.

Meetings will be called by the Secretary at the request of the Board or Committee Chair.

Members of the Board may attend meetings of the Committee and the engagement or audit partner of the external auditor of Quickstep may attend meetings ex officio. The Chief Executive Officer and the Chief Financial Officer of Quickstep may attend meetings ex officio.

The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers. These records will be available to any Committee member and any Board member upon request.

Minutes of meetings will be prepared and will be circulated to the Committee Chair and then to the Committee and Board after each meeting.

The Committee will develop an annual program to meet its responsibilities.

The Committee will meet with the external auditor without members of management being present at least once each year and whenever considered appropriate by the Chair of the Committee. The Committee may seek explanations and additional information from the external auditor as and when required.

The Committee may meet with management and seek explanations and additional information as and when required.

A quorum will comprise two members of the Committee. In the absence of the Committee Chair, Committee members will elect a Committee member to act as Chair for that meeting.

Each member of the Committee will have one vote and questions will be decided by a majority of votes. In the case of an equality of votes, the Chair of the Committee will have a second or casting vote, provided more than two of the members present are entitled to vote.

A meeting of the Committee can be held in person, by telephone or by teleconference or any combination thereof, so long as a quorum of members can hear the proceedings of the meeting at all times.

DUTIES AND RESPONSIBILITIES

In meeting its purpose set out in this charter, the Committee has the following duties and responsibilities:

External Auditors

The Committee must:

- (a) oversee the process for selecting the external auditors, and make appropriate recommendations to the Board regarding the appointment, re – appointment and removal of the external auditors;

- (b) assess the independence, objectivity and effectiveness of the external auditors, and in particular assess whether the Committee is satisfied that the independence of the external auditors has been maintained, having particular regard to any non – audit related services;
- (c) ensure that the external auditors' engagement partners are rotated at appropriate intervals;
- (d) review and recommend to the Board for approval the fees payable to the external auditors;
- (e) review and monitor policy on the engagement of the external auditors to supply non – audit services, taking into account ethical guidance regarding the provision of such services and pre – approve the performance by the external auditors of any non – audit related work with fees in excess of A\$30,000;
- (f) ensure that no management or other restrictions are being placed on the external auditors;
- (g) require and review the audit plans of the external auditors, including the nature, scope, materiality level and procedures of their audits;
- (h) monitor compliance with, and the quality and effectiveness of, the audit plans of the external auditors;
- (i) require and review reports from the external auditors in relation to their half - year and full - year financial report findings, and reports from the external auditors on the implementation of their action plans; and
- (j) if the external auditors resign, investigate the reasons for their resignation and determine whether Quickstep needs to take any action as a result of that resignation.

Review of Financial Reports

The Committee must review, and challenge where necessary, the actions and judgement of management in relation to full year and half year financial reports and other announcements relating to those reports prepared for release to the ASX, regulators, and to the public, before making appropriate recommendations to the Board, paying particular attention to:

- (a) critical accounting policies and practices adopted, and any changes in them;
- (b) compliance with applicable accounting standards, the ASX Listing Rules and other legal requirements in relation to the financial reports;
- (c) decisions requiring a major element of judgement;
- (d) the extent to which the financial reports are affected by any unusual transactions, and how they are disclosed;
- (e) significant audit adjustments and any audit recommendations that have not been adjusted;
- (f) the going concern assumption;

- (g) the clarity and adequacy of the financial reports; and
- (h) the management representation letter to the external auditors

Risk Management Framework

- (a) periodically review Quickstep's Risk Policy and monitoring the soundness of the Risk Management Framework so that it enables material and emerging risks to be identified and managed in a timely and effective way;
- (b) review as required and at least annually the soundness and effectiveness of the Risk Management Framework and internal controls, systems and processes, and that the entity is operating with due regard to the risk appetite set by the board;
- (c) monitoring that there is an appropriate risk management culture
- (d) reviewing material risks

Risk Capacity and Risk Limits

- (a) making recommendations to the Board in relation to changes to risk capacity and risk appetite; and
- (b) recommending to the Board the appropriate level of insurance cover and monitoring that Quickstep's insurance program is adequate

Monitoring Risks

- (a) monitoring the adequacy and completeness of Quickstep's enterprise wide risk profile for each material risk category;
- (b) monitoring and reviewing relevant incidents; and
- (c) allocating material risks to be monitored by the Board or Management.

Internal Audit

Periodically assess the need for an internal audit function and where applicable, review:

- (a) the appointment or removal of the head of internal audit;
- (b) the scope and adequacy of the internal audit work plan; and
- (c) the objectivity and performance of the internal audit function.

Reporting

The Chair of the Committee must:

- (a) report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities; and

- (b) attend the Board meeting at which Quickstep's half – year and full – year financial statements are approved.

Other Duties and Responsibilities

The Committee must:

- (a) make available the Committee's Charter on the Company's website, which explains its role and the authority delegated to it by the Board; and
- (b) conduct an annual review of its Charter.

Performance Review

The Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board. It must recommend to the Board any suggested changes in the duties and responsibilities of the Committee and the terms of this Charter.

At least once each year the Committee will review this charter, and make recommendations to the Board in relation to any proposed change to this charter.

Sponsor: Leanne Heywood	Title: Chair – Audit, Risk & Compliance Committee	Review Date: November 2019
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