



# Audit Committee Charter

---

GUD Holdings Limited  
ACN 004 400 891 (“**Company**”)  
and its subsidiaries (“**Group**”)

---

## 1 Membership of the Committee

The Committee will consist of at least three non-executive directors, the majority of whom are independent, as appointed by the Board. The Committee chair should be an independent director who is not chair of the Board. The Committee chair should also be a member of the Board Risk and Compliance Committee. The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

All non-executive directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. The CEO and CFO are expected to attend each meeting of the Committee and a standing invitation will be issued to the External Auditor. The Committee chair may also request that other senior managers and external advisers attend meetings of the Committee.

All members of the Committee must be financially literate and have familiarity with financial management and the Committee members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Group operates to be able to discharge the Committee's mandate effectively.

## 2 Role & Responsibilities

Except where expressly stated in this charter, the Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board to the implementation of its recommendations except where expressly stated in this charter or as authorised by resolution of the Board.

The Committee's key responsibilities and functions are to review, report to, and where appropriate make recommendations to the Board in relation to:

- (a) Improving the credibility and objectivity of financial and other periodic corporate reporting;
- (b) The appropriate selection and application of accounting policies;
- (c) The effectiveness of the external audit function and providing a forum for communication between the board and the external auditor;
- (d) Ensuring the independence of the external auditor; and
- (e) The adequacy and effectiveness of financial risk management and internal financial controls.

The Committee will consider any matters delegated or referred to it by the Board. The Committee may oversee any internal audit function to the extent requested by the Board and may request and/or review special audits or investigations as necessary.

### 2.1 Financial and other periodic corporate reporting

The responsibilities of the Committee in relation to financial reporting are as follows:

- (a) Monitor the adequacy and effectiveness of the framework, strategies and management information systems related to internal controls over financial reporting, tax and related regulatory compliance.
- (b) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by

---

management in preparing the Group's financial reports, including significant changes in the selection or application of accounting policies.

- (c) Assess significant estimates and judgments in the financial reports by examining the processes used to derive material estimates and judgments including by reference to the external auditor's assessment of the reasonableness of management's estimates.
- (d) Review the Group's financial statements for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Group, as a basis for recommendation to, and adoption by, the Board.
- (e) Ensure appropriate processes are in place to form the basis upon which the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") make their declarations to the Board under section 295A of the Corporations Act 2001 (Cth).
- (f) Assess solvency and the going concern assumption.
- (g) Review and monitor compliance with financial covenants and other undertakings in debt facility agreements.
- (h) Review the Group's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes. This includes:
  - reviewing the process to verify the integrity of any periodic corporate report which the Company releases to the market that is not audited or reviewed by the external auditor;
  - assessing non-financial information contained in documents to ensure there are no conflicts with the financial statements; and
  - compliance with continuous reporting obligations as required by the Australia Securities Exchange ("ASX") Listing rules.

## 2.2 Audit

The responsibilities of the Committee in relation to the audit function are as follows:

- (a) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.
- (b) Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditor believes special attention is necessary.
- (c) Review with the external auditor its report to the Committee regarding significant findings in the conduct of its audit and the adequacy of management's response and monitor whether any issues are being managed and rectified in an appropriate and timely manner.
- (d) Separately from management, discuss with the external auditor matters relating to the conduct of the audit, including the timeliness of its reporting, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.
- (e) Provide the external auditor the opportunity to raise matters directly with the Board.
- (f) Review the performance, independence and objectivity of the external auditor at least annually.

- 
- (g) Review annually and recommend to the Board, the external auditor's terms of engagement (including the audit plan) and other contractual terms, fees and other compensation to be paid to the external auditor and ensure that any key risk areas for the Group and financial requirements are incorporated into the audit plan.
  - (h) Review the procedures for selection and appointment of the external auditor and for the rotation of external audit engagement partners.
  - (i) Recommend to the Board the selection and removal of the external auditor, subject to any shareholder approval.
  - (j) Develop and oversee the implementation of, and compliance with, the Group's policy on the engagement of the external auditor to supply non audit services.
  - (k) Provide advice to the Board as to whether the Committee is satisfied that the provision of non audit services is compatible with the general standard of independence, and an explanation of why those non audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the Corporations Act 2001 (Cth) to be included in the Group's Annual Report.
  - (l) Ensure that processes are in place for evaluating and improving the effectiveness of the Group's governance, financial risk management and financial internal control processes, and periodically review whether there is a need for an internal audit function. The Committee will:
    - approve the annual internal assurance program;
    - monitor the progress of the internal assurance work program and consider the implications of review findings for the control environment; and
    - monitor and assess management's responsiveness to internal assurance review findings and recommendations.
  - (m) Oversee the coordination of the external audit and where applicable, the internal audit.

## 2.3 Financial risk management and internal controls

The Committee's primary roles with respect to financial risk management and internal control are as follows:

- (a) Review the adequacy and effectiveness of the Group's internal control framework.
- (b) Monitor the Group's exposure to fraud, review any material incident involving fraud, failures of internal controls and the adequacy of management's response.
- (c) Review of all significant transactions that do not form part of normal business with respect to financial reporting, tax and related regulatory compliance.
- (d) Monitor any current and pending litigation which may have financial risk exposure.
- (e) Monitor financial market risks including currency and interest rates and refinancing and credit risks.
- (f) Review related party transactions involving the Group to determine their appropriateness and assess whether consideration should be given to seeking shareholder approval.

---

## 2.4 Taxation

- (a) Receive and evaluate reports from management on taxation matters, including strategies, key risks, correspondence from regulators, legislative developments and the Group's compliance with applicable taxation legislation and regulations.
- (b) Receive and consider reports and advice from external advisers on the Group's taxation arrangements and processes, including in relation to the setting of appropriate tax policy and strategies, and make recommendations.
- (c) Oversee, and review the adequacy and effectiveness of, the Group's tax risk management framework, including policies, processes and procedures.

## 3 Relationship with External Auditor

The Committee provides a link between the External Auditor and the Board. The External Auditor has a direct reporting line to the Committee and, through the Committee, to the Board. The Committee must periodically meet with the External Auditor without management being present to discuss the external audit and any issues with management.

## 4 Review of Charter

The Board will, at least every two years, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

## 5 Administrative matters and procedures

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

## Administrative matters and procedures

### Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least four times a year.

Committee members may attend meetings in person or by electronic means.

### Quorum

The quorum is at least two members.

### Secretary

The Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

### Convening and notice of meeting

Any Committee member may, and the Company Secretary must upon request from any Committee member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Committee Chair determines the meeting agenda after appropriate consultation. The secretary will distribute the notice of meeting, the agenda and any related documents to all Committee members and other attendees before each meeting of the Committee. These documents will also be made available to other Board members.

### Independent advice

The Committee may seek the advice of the Group's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require. As appropriate, the Committee will inform the Chair of the Board of its decision to authorise an investigation or obtain such external advice.

### Rights of access and authority

The Committee has unrestricted access to information it considers relevant to its responsibilities. The Committee has rights of access to management and to auditors without management present, and rights to seek explanations and additional information from both management and auditors.

### Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary. All minutes of the Committee must be entered into a minute book maintained for that purpose.

---

## **Reporting**

The Committee chair (if requested) will provide a brief oral report to the Board as to any material matters arising out of Committee meetings. All directors may, within the Board meeting, request information of members of the Committee.

A copy of the minutes of the Committee will also be provided to the Board with the Board papers.

## **Interaction with other committees**

The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, ensure that this occurs.

Each committee will, where appropriate, provide reports to other Board committees on matters relevant to the Committee's specific responsibilities that may be relevant to those Committee's roles and responsibilities.