

1 Definitions

In this document:

Board	means the board of the Company.
CFO	means the chief financial officer or equivalent officer (by whatever title known) of the Company.
Chair	means the Director of the Company appointed as the chair of the Board from time to time.
Code of Conduct	means the code of conduct of the Company.
Committee	means a committee of the Board.
Company	Means Benjamin Hornigold Ltd ACN 614 854 045.
Company Secretary	means the person appointed company secretary of the Company.
Constitution	means the constitution of the Company.
Corporate Governance	means the corporate governance statement of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Managing Director/CEO	means the managing director (or if there is no managing director, the chief executive officer or executive chairman or equivalent officer by whatever title known) of the Company.
Senior Executives	means the senior management team (excluding Board members) of the Company, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

2 Standing rules

2.1 Audit and Risk Management Committee

The standing rules for Committees (as set out in this clause) apply to the Audit and Risk Management Committee.

2.2 Application

These standing rules apply to, and are deemed incorporated into the charter of, each Committee, except to the extent of any conflict with any of its terms.

2.3 Composition

- (a) Due to the size and nature of the Company's activities, the functions of each Committee will be undertaken by the full Board.
- (b) The Board will appoint one member of any Committee to act as the chair of the Committee.

2.4 Proceedings

- (a) Any meeting may be held by means of conference call or any other means

of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.

- (b) The quorum for a Committee meeting is any two members.
- (c) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (d) The procedural provisions of this clause 2.4 apply in relation to any sub-committee of a Committee.

2.5 Company Secretary

The Company Secretary has responsibility for coordinating the completion and dispatch of Committee agenda and briefing materials, as well as draft minutes of the meetings of each Committee for approval at the next meeting of the Committee.

2.6 Performance review and evaluation

- (a) The same procedures for the Board (as set out in the Corporate Governance Statement) apply for each Committee, subject only to the role of the Chair being undertaken by the chair of the Committee (and any other necessary changes).
- (b) Review and evaluation are conducted in accordance with the procedures set out in the Corporate Governance Statement and any criteria the Chair decides from time to time.

3 Purpose of Audit and Risk Management Committee

The Audit and Risk Management Committee's role is to:

- (a) establish and maintain a framework of internal controls for the management of the Company; and
- (b) assist with policy on the quality and reliability of financial information prepared for use by the Board.

The Audit and Risk Management Committee will review the risk management framework and policies for the Company and monitor their implementation.

4 Scope of responsibility

The Audit and Risk Management Committee is responsible for:

- (a) establishing and implementing an appropriate internal control framework, including information systems, and considering enhancements to that framework from time to time;
- (b) assessing corporate risk and compliance with internal controls;
- (c) overseeing business continuity planning and risk mitigation arrangements;
- (d) assessing the objectivity and performance of the internal audit function and considering enhancements that might be made from time to time;
- (e) reviewing reports on any material misappropriation, frauds and thefts from the Company;
- (f) reviewing reports on the adequacy of insurance coverage;

- (g) monitoring compliance with relevant legislative and regulatory bodies;
- (h) requirements (including continuous disclosure obligations) and declarations by the Company Secretary in relation to those requirements;
- (i) reviewing material transactions which are not a normal part of the Company's business;
- (j) reviewing the nomination, performance and independence of the external auditors engaged by the Company, including recommendations for the appointment or removal of any external auditor;
- (k) Appointment or removal of the auditors; liaising with the external auditors and monitoring:
 - the conduct and adequacy of the external audit,
 - review of any non-audit work proposals and impact on independence,
 - independence and performance of external auditors
 - fees payable to the auditor for audit and non-audit work
 - rotation of audit partner;
- (l) reviewing management processes supporting external reporting;
- (m) reviewing financial statements and other financial information distributed externally;
- (n) preparing the corporate governance statement for inclusion in the annual reporting or any other public document of the Company;
- (o) reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management; and
- (p) reviewing and monitoring compliance with the risk appetite set by the board and compliance with the Code of Conduct. Updating risk controls for any material non-compliance incidents.

5 Powers

The Audit and Risk Management Committee has unrestricted access to the Company's management and internal audit personnel as well as to the Company's external auditors to carry out its functions.

6 Selection of auditors

External auditors are selected according to the criteria determined by the Audit and Risk Management Committee from time to time, which includes:

- (a) the lack of any current or past relationship with the Company or any Senior Executive that could impair, or risk impairing, the independent external view they are required to take in relation to the Company;
- (b) the external auditors' general reputation for independence, probity and professional standing within the business community; and
- (c) the external auditors' knowledge of the industry in which the Company operates.

Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every

five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company.

7 Audit planning

The Audit and Risk Management Committee reviews the performance of the external auditors throughout the year.

During each year, the Audit and Risk Management Committee should meet with the external auditors to:

- (a) discuss the external audit plan;
- (b) discuss any potential significant problems;
- (c) discuss the impact of proposed changes in accounting principles on the financial statements;
- (d) review the nature and impact of any changes in accounting policies adopted by the Company during the year; and
- (e) review the proposed audit fees.

Before the announcement of the results for the Company, the Audit and Risk Management Committee should meet with the external auditors to:

- (a) review the pro-forma half-yearly and pro-forma preliminary final report before lodgement of those documents, as well as any significant adjustments required as a result of the audit;
- (b) review the results and findings of the audit and the adequacy of accounting, financial and operating controls and monitor the implementation of any recommendations made; and
- (c) review the draft financial report and the audit report.

8 Proceedings

Meetings of the Audit and Risk Management Committee are held at least two times during each year and more often as required.

The external auditors, the Managing Director/CEO (if appointed) and the CFO should be invited to attend meetings, or specific parts of meetings, at the discretion of the Audit and Risk Management Committee.

9 Miscellaneous

9.1 Review of policy

- (a) External reviews of this policy may be undertaken at the request of the Board.
- (b) A copy of this policy (or a summary of it) may be made available on the Company's website and to the ASX to the extent necessary.

9.2 Endorsement

The Company is committed to this policy and its implementation.