

## AUDIT AND RISK COMMITTEE CHARTER

### 1. ROLE

To assist the Board of Cirrus Networks Holdings Limited (the “Company”) in fulfilling its oversight, monitoring and review of the Company’s practices and governance in the following areas:

#### **A. General:**

1. Monitoring the Company’s risk profile and review of any significant changes to material and strategic risk identified and managed by management, ensuring these remain within the risk appetite set by the Board;
2. Recommend to the Board changes to the risk management framework for the risk appetite set by the Board;
3. The Company’s risk management system and internal controls to ensure that all major and emerging risks are identified, managed and monitored with the appropriate risk mitigation and improvement plans;
4. The Company’s sustainability strategy and plans, particularly in the areas of health, safety, environment and social performance;
5. The Company’s performance against the sustainability strategy including review of annual objectives and targets;
6. Monitoring systems and compliance with relevant laws, regulations, policies, standards and procedures; and
7. Such other functions as assigned by the Board.

#### **B. Specifically in relation to Finance:**

1. The integrity of the Company’s financial statements;
2. External audit function and the communication between the Board, the external auditor and senior management;
3. Financial reporting principles and policies, controls and procedures;
4. Financial risk management, including hedging;
5. In relation to financial reporting and audit risks, the following matters:
  - a) Internal audit\* function, including the scope, programme, objectivity, performance and resourcing;
  - b) Compliance with applicable legal and regulatory requirements; and
  - c) Reviewing internal control processes and effectiveness, including reports from internal audit\*; and
6. Such other related matters as assigned by the Board from time to time.

\*All references in this Policy to “internal audit” are to be disregarded until such time as the Board has resolved that a formal internal audit process be adopted.

### 2. COMPOSITION

- a) The Committee will be appointed by the Board and will consist of at least three Board members. The appointees must be Non-executive Directors and the majority will be independent Non-executive Directors.
- b) An independent Director will be appointed as Chair of the Committee and will not be the Chair of the Board. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair for that meeting.
- c) All Directors will receive Committee papers and have a standing invitation to attend Committee meetings.

- d) A quorum will comprise any two Committee members.

### **3. OPERATION**

- a) The Committee will meet at least twice a year, with other meetings on an as required basis. Committee meetings will be governed by the same rules in the Company's constitution, with the rules for Board meetings applying to Committee meetings. The Company Secretary shall be the Secretary of the Committee.
- b) The Managing Director and CFO are required to attend all Committee meetings. As needed, other members of management will be invited to attend meetings for appropriate agenda items.
- c) The external auditors will be given notice of all meetings and are required to attend the meetings dealing with the full year and half year audited accounts.
- d) The Chair of the Committee may call a meeting with external audit independent of management (and/or internal audit where that process has been implemented).
- e) The Chair of the Committee will update the Board about matters considered, discussed and resolved at Committee meetings, and other matters relevant to the Committee's role, responsibilities and activities.
- f) The Committee will consider if any material matters arising out of the Committee meeting should be advised to any other Committee and if so, ensure this occurs.

### **4. RESPONSIBILITIES**

The Committee will be charged with the following responsibilities:

#### 4.1 Risk Management and Internal Controls

- a) In relation to all areas of risk to which the Company is subject (both Environmental, Social and General ("ESG"), and Financial:
  - i. Oversight of the Company's risk appetite as set by the Board, including reviewing and assessing the adequacy, effectiveness and appropriateness of the internal controls, policies, guidelines and procedures which form the Company's overall risk management framework; and the systems and processes for managing material business risks across the Company;
  - ii. Review and report to the Board on whether management is operating within the risk appetite set by the Board and that risk considerations are being incorporated into strategic and business planning. The Company's management will engage with the Committee to establish a mutual understanding of the Company's overall appetite for risk and the Committee will require management to demonstrate its effectiveness in identifying, assessing and managing the Company's most significant risk exposures;
  - iii. Receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
  - iv. Undertake a periodic review of the Company's most significant risks and whether risk management strategies are appropriate;
  - v. Review and recommend to the Board those risk management reporting and governance policies which require Board approval, and any changes to the risk management framework or to the risk appetite set by the Board; and

- b) Specifically in relation to financial risk and financial, reporting and audit matters (including accounting, taxation, financial, capital management, treasury, hedging, budgets and forecasting, accounts payable, payroll, purchasing and contracts, insurance and all finance related software):
- i. Monitor the ability of the Company to fund its ongoing activities and any major potential investments, having regard to current and proposed funding arrangements and the Company's outlook as to solvency;
  - ii. Monitor the prudence of gearing levels, interest cover and compliance with banking covenants;
  - iii. Review, at least annually, the Company's insurance programs and adequacy of insurance cover having regard to the insurable risks associated with the Company's business;
  - iv. Reviewing any material incident reported or referred to the Chair of the Committee or to the external auditor or the Company's solicitors from time to time, under the Whistleblower Policy or Corporate Code of Conduct. Where relevant, discuss with the Board or management whether the investigation was conducted in an independent, fair and objective manner; whether any discipline was fair and appropriate; whether any discloser was adequately protected from detrimental acts or omissions; and any lessons learned are appropriately actioned;
  - v. Reviewing any material incident, which has occurred involving fraud or other breakdown of the Company's internal controls or any matter reported to the Chair of the Committee, under the Anti-Bribery and Corruption Policy; and
  - vi. Review the Gifts and Entertainment Register and any other register established from time to time to record other payments (eg, for donations, sponsorship etc) and where relevant discuss with management the appropriateness of any gift or entertainment (or in other cases, the business rationale for the transaction).

#### 4.2 External Audit

- a) The appointment, compensation, rotation of the lead audit partner, retention of the audit firm and oversight of the work of the external auditor. This will include all audit and non-audit services provided by the external auditor. The external auditor shall report directly to the Committee.
- b) The independence of the external auditor and their performance, considered at least on an annual basis.
- c) The scope and adequacy of the annual plan of the external auditor.
- d) Regularly review with the external auditor any audit problems or difficulties encountered during the audit including any restrictions on the scope of the external auditors' activities or access to information.
- e) Review and assess the integrity of the external audit process as a whole.

#### 4.3 Financial Statements and Supporting Processes

- a) Reviewing and recommending to the Board for approval and signing, the annual financial statements and half year financial statements of the Company and other related information.
- b) Assessment of whether external reporting is consistent with the Committee's information and knowledge including a review of the certification of the effectiveness of internal controls provided by the Managing Director and CFO and other management in relation to the half year and annual financial statements.

- c) Consideration of material issues regarding accounting policies and financial statement presentation, reviewing any changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements and the policies and practices.
- d) Discussions with management and the external auditor regarding significant financial reporting issues and judgments, including significant accounting estimates made in the preparation of the financial statements and the consideration thereof.
- e) Review all related party transactions and discuss with management the business rationale for the transactions.

4.4 Internal Audit (this clause shall only come into effect if and when the Board has resolved that a formal internal audit process be adopted)

- a) Review the scope, programme, objectivity, performance and resourcing of the internal audit function, considered at least on an annual basis.
- b) Review the reports from the internal auditor and any material issues arising. The internal audit reports shall be received directly to the Committee.
- c) Review and monitor management responsiveness to the internal auditor's findings and recommendations.
- d) Monitor and assess the performance and effectiveness of the internal audit through internal audit reports, from the Committee's observations and from management feedback, including whether the internal audit function is adequately resourced.

4.5 Legal and Regulatory Compliance

In relation to financial, reporting and audit matters (including accounting, taxation, financial, capital management, treasury, hedging, budgets and forecasting, accounts payable, payroll, purchasing and contracts, insurance and finance related software):

- a) Review and assess the effectiveness of the Company's compliance program in ensuring compliance with relevant regulatory and legal requirements.
- b) Review and assess the effectiveness of internal processes for ensuring compliance with the Company's policies and procedures.
- c) Review compliance reports prepared by management in relation to the Company's compliance with statutory, legal and other regulatory requirements; and identify and consider any matters that may have a material impact on the Company's activities and report on those matters to the Board.
- d) Review, assess and monitor the effectiveness of the Company's policies and procedures on continuous disclosure and reporting on these to the Board.
- e) Review and assess any material claims or issues in relation to taxation.

4.6 Financial Corporate Governance

In conjunction with the Board, use all reasonable endeavours to:

- a) Monitor developments in financial corporate governance practices.
- b) Benchmark the entity's policies against best practice and peers.
- c) Ensure that policies exist to deal with conflicts of interest.
- d) Review past or proposed transactions between the corporation and members of management or the Board.
- e) Make recommendations on financial corporate governance policies, standards and practices to the Board.

## **5. AUTHORITY OF THE COMMITTEE**

- a) The Committee has the authority to obtain independent professional or other advice in the fulfilment of its duties at the Company's cost.
- b) In carrying out its duties, the Committee shall have the authority to discuss directly with management or auditors any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Company.
- c) The Committee may meet with the CFO with or without other members of management present as considered appropriate by the Committee.

## **6. REVIEW OF COMMITTEE PERFORMANCE**

The Committee will annually revisit its role, composition, operation and responsibilities and evaluate the effectiveness of its performance.

## **7. CHARTER REVIEW**

This Charter is to be reviewed on an annual basis by the CFO and the Company Secretary in consultation with the Chair of the Committee for the purpose of assessing its continued relevance to the needs of the Board and identifying enhancements required. Proposed enhancements shall be submitted to the Board for approval.

Part of this review shall include consideration of whether the Company should adopt an internal audit process.

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