

## 1. Objective

The function of the Audit and Risk Committee (**Committee**) is to assist the Board of Cleanaway Waste Management Limited (**Cleanaway** or **Group**) in its oversight of:

- the integrity of the Group's financial reporting; and
- the Group's risk management and compliance framework.

## 2. Constitution

The Committee is established by, and has delegated functions from, the Board. It has no powers other than those set out in this Charter or otherwise delegated to it by the Board.

Save as specifically provided to the contrary in this Charter, the Committee's role is to review and make recommendations to the Board. It has no executive power or management function.

The Constitution and this Charter govern the regulation of the meetings and proceedings of the Committee.

## 3. Membership

The Committee will consist of at least 3 Non-Executive Directors, the majority of whom are determined by the Board to be independent in accordance with the Board Charter.

There is no prescribed term for membership of the Committee. Members may be appointed or removed by resolution of the Board. Membership of the Committee ceases when a member ceases to be a Director of Cleanaway.

## 4. Chairperson

The Chairperson of the Committee will be appointed by the Board and shall:

- be one of the independent Directors; and
- not be the Board Chairperson.

Should the Chairperson of the Committee be absent from a meeting, the members of the Committee present shall appoint a Chairperson, who is an independent Director, for that particular meeting.

## **5. Meetings**

The Committee should meet at least four times a year, in accordance with a schedule agreed prior to the commencement of each calendar year. The Committee may, at any time, convene such additional meetings as the Committee considers are necessary to fulfil its functions. Any Committee member can convene a Committee meeting. A quorum for a meeting shall be 2 members.

The Company Secretary in conjunction with the Chairperson of the Committee shall ensure reasonable notice of meetings is provided and an agenda prepared and distributed to members. Any Committee member may require business to be included in the agenda provided the Chairperson and Company Secretary have been given prior notice of that business.

The Company Secretary or his/her delegate (with the approval of the Chairperson) shall act as Secretary of the Committee and shall attend meetings of the Committee, as required.

## **6. Written consent**

Any action permitted to be taken at any meeting of the Committee may be taken without a meeting, if a written consent thereto is signed by all members of the Committee entitled to vote on the resolution, provided that such written consent shall be filed with the minutes of the proceedings of the Committee.

## **7. Attendance**

The Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**) and General Counsel and Company Secretary will be invited to attend meetings, as required. Other Company executives and external advisers, as the Chairperson thinks fit, may be invited to attend meetings.

Any Director of the Board who is not a Committee member is entitled to attend meetings as an observer.

## **8. Minutes**

Minutes of meetings of the Committee shall be prepared by the Company Secretary, approved by the Chairperson in draft and circulated to all members of the Committee and to the Board.

Minutes of prior meetings of the Committee shall be confirmed at the next meeting of the Committee and then signed by the Chairperson.

## **9. Access to information and independent advice**

The Committee, or any individual member, has the authority to seek any information it requires from any employee or external party.

The Committee, or any individual member, may take such independent legal, financial or other advice as it considers necessary to fulfil its duties. Before the external advice is sought, consent must be obtained from the Chairperson.

## 10. Responsibilities and functions

The key responsibilities of the Committee are:

### Financial statements

- review the Group's financial reports (and accompanying documents) prior to recommending them to the Board for approval, to ensure their integrity and compliance with statutory and regulatory requirements, and in doing so consider:
  - the appropriateness of accounting policies being used;
  - any changes in accounting policies and practices;
  - whether the reports have been prepared in accordance with relevant accounting principles and standards;
  - the methods used to account for significant unusual transactions or transactions for which there is no specific accounting standard;
  - significant estimates and judgments or choices exercised by management in preparing the Group's financial reports; and
  - whether the reports are consistent with the information and knowledge of the members of the Committee; provide a true and fair view of, the financial position and performance of the Group; and the disclosures are adequate to meet the needs of the shareholders.

### External audit

- assess the performance and independence of the External Auditors on a regular basis, and provide advice to the Board as to whether the provision of non-audit services provided during the year by the external auditor is compatible with general standards of independence for Auditors imposed by the Corporations Act, together with the reasons upon which that advice is based;
- make recommendations to the Board on the appointment, reappointment, rotation or removal of the External Auditors;
- review and discuss the audit plan with the External Auditors and agree terms of engagement with them, including their fees;
- monitor the progress of the External Auditors against the audit plan, discuss the results of the audit with them, and the contents of their management recommendations letter;
- monitor management's responses to, and implementation of, recommendations that are adopted; and
- enquire if there have been any significant disagreements between management and the External Auditors, meeting privately with the External Auditors as required.

### Internal audit

- review and approve the internal audit plan, ensuring that an appropriate program of internal audit activity is conducted each year;
- monitor the progress of the Internal Auditors against the audit plan, discuss the results of the audits with them, and monitor management's responses to, and implementation of,

recommendations that are adopted;

- assess the performance, objectivity and independence of the Internal Auditors;
- make recommendations to the Board on the appointment, reappointment or removal of the Head of Internal Audit and/or Internal Auditor (where the function is outsourced); and
- enquire if there have been any significant disagreements between management and the Internal Auditors, meeting privately with the Internal Auditor as required.

#### Risk management and internal controls

- ensure the Group's risk management framework is effective, and capable of identifying and assessing areas of new and potential material risk (both financial and non-financial), as well as monitoring and managing identified material risks, including cybersecurity risks;
- monitor material changes to the Group's risk profile and recommend required changes to risk appetite to the Board;
- assess and monitor risk management and internal control systems to ensure that identified material risks are reduced to or managed at levels determined to be acceptable by the Board;
- initiate and monitor special investigations into areas of corporate risk and break-downs in internal control; and
- review the nature and level of insurance coverage.

#### Other

- review and recommend to the Board changes to the Group's key governance and compliance policies, and monitor the compliance with the policies. These policies include but are not limited to the following:
  - Securities Trading Policy;
  - Continuous Disclosure Policy;
  - Delegated Authority Policy;
  - Conflict of Interest Policy;
  - Anti-Bribery and Corruption Policy;
  - Competition and Consumer Law Policy
  - Whistleblower Policy;
  - Risk Management, Compliance and Assurance Policy;
  - Tax Policy; and
  - Treasury Policy;
- review and monitor the propriety of related party transactions and consider the adequacy of disclosure of those transactions in the Group's financial reports;
- review and recommend to the Board any payment of dividends;
- review and recommend to the Board for adoption, the annual Corporate Governance Statement;
- review and recommend to the Board entities to be added or removed from the Deed of Cross Guarantee;
- review and monitor compliance with the Group's Taxation Strategy and Taxation Risk

Framework;

- review Fair Call reports and reports on material frauds and thefts from the Group and action taken by management; and
- review and monitor the progress of material litigation and compliance matters.

The Committee may consider any other matters relating to financial management and reporting that it considers desirable in the performance of its functions. In addition, the Committee shall examine any other matters referred to it by the Board.

## **11. Review and distribution**

The Committee will review this Charter periodically or as otherwise required and recommend any changes to the Board for approval.

This Audit and Risk Committee Charter will be available for viewing by any person on the Company's external website.

**The Board reviewed and approved this Charter on 1 June 2021.**