

Audit & Risk Committee Charter

1. Introduction and Purpose

The Audit & Risk Committee (**Committee**) is a committee of the board of directors (**Board**) of Macmahon Holdings Limited (**Macmahon** or **Company**).

The purpose of the Committee is to assist the Board to fulfil its responsibilities in relation to:

- Integrity of the Company's consolidated financial reports and statements;
- Financial reporting policies, controls and procedures;
- Oversight of the Company's risk register and effectiveness of systems of risk management, internal controls and cybersecurity;
- External audit;
- Compliance with applicable governance, legal and regulatory requirements;
- Oversight of the effectiveness, independence and objectivity of the internal audit function (as applicable to Macmahon);
- Ensure the effectiveness of tax risk management and compliance; and
- Oversight of fraud and corruption disclosures.

This Charter details the function and the manner in which the Committee will operate.

The Committee has authority from the Board to review and make recommendations to the Board for approval. The Committee is not delegated any Board responsibilities unless otherwise delegated by the Board.

2. Role and Responsibilities

Specifically, the role of the Committee is:

2.1 Financial Statements

- a. To review the audited annual and half year financial statements and any reports which accompany published financial statements before submission to the Board, with particular focus on:
 - i. any changes in accounting policies and practices;
 - ii. accounting judgments or choices exercised by management in the preparation of the financial statements,
 - iii. impairment or significant adjustments;
 - iv. any issues resulting from the internal and external audit;
 - v. compliance with accounting policies and standards;

- vi. compliance with legal requirements; and
- vii. whether the financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of Macmahon.

2.2 Related party transactions

- b. To monitor and review the propriety of any related party transactions.

2.3 External audit function

- c. To confirm to the Board the appointment of the external auditor in accordance with Macmahon's External Auditor Selection Policy.
- d. Each year, to review the performance and appointment of the external auditor, the audit fee, any fees paid for non-audit services, their independence and any questions of resignation or dismissal.
- e. To discuss with the external auditor before the audit commences the nature and scope of the audit and consider the adequacy of that scope.
- f. To meet privately with the external auditor on at least an annual basis.
- g. To determine that no management restrictions are being placed upon the external auditor.
- h. To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- i. To review the external auditor's management letter and management's response.
- j. To ensure the external auditors confirm their independence annually.
- k. To review and consider the rotation of the audit engagement partner.
- l. To consider and approve any proposals for the external auditor to provide non-audit services in accordance with the Provision of Non-Audit Services Policy.

2.4 Internal controls / audit function

- m. To make recommendations to the Board regarding internal audits including the appointment and fee of any externally contracted auditor to perform this function.
- n. To review the appointment, remuneration, evaluation, retention and dismissal of any internal auditor.
- o. To approve the internal audit plan and receive reports from internal audit on its reviews of the adequacy of Macmahon's process for managing risk.
- p. To review the reporting lines of the internal audit function to ensure that the internal auditor is allowed adequate independence.
- q. To ensure that any management restrictions are being placed upon the internal auditor.
- r. To ensure that internal audits are adequately resourced (including qualified personnel, funding and equipment).
- s. To consider the major findings of internal audit investigations and management's response.
- t. To ensure any internal auditor has direct access to the Chair of the Audit & Risk Committee.
- u. To monitor the progress of any internal audits approved by the board.
- v. To provide oversight of Macmahon's fraud and corruption control activities.
- w. To oversee Macmahon's regulatory compliance, and to review any regulatory reports on Macmahon's operations.

2.5 Risk management oversight

- x. The development and maintenance of a risk management policy and methodology for Macmahon to be endorsed by the Board. The Committee shall define and document a policy for risk management, including objectives for, and its commitment to, risk management.
- y. To ensure appropriate management accountability for risk management exists as well as ensuring that appropriate systems and control procedures are established, including by monitoring management's performance against Macmahon's risk management framework, including whether it is operating within the risk appetite set by the Board.
- z. To review (and receive from management reports on) the entity's risk management framework at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks Macmahon faces (and understand any mitigation measures that management has put in place to deal with those risks) and to ensure that they remain within the risk appetite set by the Board.
- aa. To satisfy itself that the entity's risk management framework adequately deals with current and emerging risks.
- bb. To make recommendations to the Board to ensure that Macmahon has robust processes to identify, measure, monitor and manage the material business risks faced by the business (including to recommend changes to Macmahon's risk management framework and circumstances where Macmahon should operate outside of the risk appetite previously set by the Board).
- cc. To review any material incident involving fraud or a break-down of Macmahon's risk controls and the "lessons learned".
- dd. Review Macmahon's insurance program having regard to Macmahon's business, and the insurable risks associated with Macmahon's business.

2.6 Communication

- ee. To provide, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.
- ff. To enhance the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- gg. To review and monitor compliance with Macmahon's Whistleblower Policy and Code of Conduct.

2.7 Assessment of effectiveness

- hh. To evaluate the adequacy and effectiveness of Macmahon's administrative reporting, operating and accounting policies through active communication with operating management, internal auditors and the external auditors.

3. Access to Information and Independent Advice

The Committee will have access to management and auditors (external and internal) with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice if it considers this necessary or appropriate.

4. Membership and Attendees

4.1 Membership

The Committee shall be structured so that it:

- consists only of non-executive directors;

- consists of a majority of independent Directors; and
- has at least three members.

In addition, the Committee shall comprise:

- at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- at least one member who has an understanding of the industry in which Macmahon operates.

The appointment of new members to the Committee must be approved by the Board.

4.2 Chair

The Committee chair (**Chair**) must be an independent non-executive director, other than the chair of the Board.

4.3 Other Attendees

The company secretary (**Company Secretary**) of the Company, or a designate, will be the secretary of the Committee.

The Managing Director/Chief Executive Officer and Chief Financial Officer as well as other members of senior management may be invited to be present for all or part of the meetings of the Committee, but will not be members of the Committee.

Representatives of the external auditor will normally attend each meeting of the Committee and at least twice a year the Committee shall meet with the external auditors without any management staff or executives present.

5. Meetings

The Committee shall meet as often as required to undertake its role effectively, but as a minimum four times a year. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Board or Committee, the Managing Director/Chief Executive Officer or the external auditor. The date, time and venue of each meeting of the Committee will be notified by the Company Secretary to all members of the Committee as far in advance as practicable. Attendance at Committee meetings may be in person, by telephone or by other electronic means, as agreed. In absence of the Chair, the Committee meetings will elect a member to act as chair for that meeting. The quorum necessary for a meeting of the Committee shall be two members.

The Committee will keep minutes of its meetings. The Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment/amendment before being signed by the Chair. The minutes are to be included in the Board papers at the next full Board meeting following the Committee meeting.

6. Reporting to the Board

The Chair of the Committee will present relevant items to the Board for formal approval following each meeting.

7. Review of Committee

7.1 Committee Performance

The performance of the Committee will be assessed on an annual basis, following which the Chair will take appropriate action to address any desired improvements in respect of areas where there is a need to enhance its role, effectiveness, process or composition.

7.2 Committee Charter

The Chair is responsible for ensuring that this Charter is reviewed at least annually for the purpose of assessing its continued relevance to the needs of the Board and identifying any enhancements required. Proposed enhancements shall be submitted to the Board for approval.

This Charter was approved by the Board on 17 February 2023.