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# **Audit and Risk Management Committee Charter**

Peter Warren Automotive Holdings Limited (ACN 615 674 185)

Adopted by the Board on 20 February 2024

## 1 Role of the Committee and its authority

- (a) The Audit and Risk Management Committee (**Committee**) assists the board (**Board**) of Peter Warren Automotive Holdings Limited (ACN 615 674 185) (**Peter Warren Automotive**) in fulfilling its responsibilities for corporate governance and oversight of Peter Warren Automotive's financial reporting, internal control structure, risk management systems and internal and external audit functions. In doing so, the Committee has the responsibility to maintain free and open communication with the external auditor and Peter Warren Automotive's management.
- (b) The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and people of Peter Warren Automotive and the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.
- (c) The Committee is a committee of the Board established in accordance with Peter Warren Automotive's constitution (**Constitution**) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

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## 2 Membership

- (a) The Committee should to the extent practicable given the size and composition of the Board from time to time, comprise of:
  - (i) at least three members;
  - (ii) non-executive directors; and
  - (iii) a majority of directors who are independent (and it must satisfy this description if required by statute or regulation).
- (b) All Committee members should be financially literate (ie able to read and understand financial statements).
- (c) The Board will appoint the chair of the Committee (**Committee Chair**). The Committee Chair should be an appropriately qualified independent non-executive director who does not chair the Board (and must satisfy this description if required by statute or regulation).
- (d) All Committee members should have a reasonable understanding of Peter Warren Automotive's business and the industry in which it participates.
- (e) Committee members will be appointed on a rolling basis, with Committee members generally being eligible for re-appointment following annual review of Committee composition, for so long as the Committee will meet the relevant criteria established in paragraph (a) above.

- (f) The appointment and removal of Committee members is the responsibility of the Board.
  - (g) A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair.
  - (h) If a Committee member ceases to be a director of the Board, their appointment as a member of the Committee is automatically terminated with immediate effect.
  - (i) The company secretary of Peter Warren Automotive is secretary to the Committee.
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### 3 Meetings

- (a) The Committee will meet at least three times annually or as frequently as is required to undertake its role effectively. As at the date of this Charter, the Committee intends to meet once per financial quarter.
  - (b) The Committee may meet in private with either or all of Peter Warren Automotive's Chief Financial Officer, Internal Audit Manager and external auditor.
  - (c) Any Committee member may, and the company secretary must upon request from any member, convene a meeting of the Committee.
  - (d) The Committee may invite any executive director, executive, other staff member or external auditor to attend all or part of a meeting of the Committee.
  - (e) The proceedings of all meetings will be minuted by the company secretary. All minutes of the Committee are available for inspection by any director.
  - (f) A quorum for any meeting will be at least two Committee members.
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### 4 Duties and responsibilities

The Committee's key responsibilities and functions **are to assist the Board** in discharging **its** responsibilities:

- (a) to oversee the establishment of and approve changes to Peter Warren Automotive's risk management framework (for both financial and non-financial risks) including its risk appetite, strategy, policies, procedures and systems;
- (b) to oversee and monitor the establishment, operation and implementation of the Company's Whistleblower Policy (including in relation to financial reporting, audit and internal control and other matters about which employees have concerns), ensure the Committee is informed of any material incidents reported under that policy and recommend to the Board any necessary changes from time to time;
- (c) to review at least annually and monitor the effectiveness of Peter Warren Automotive's risk management framework to satisfy itself that it continues to be sound and that Peter Warren Automotive is operating with due regard to the risk appetite set by the Board;
- (d) to review and approve Peter Warren Automotive's financial statements and reports;

- (e) in relation to Peter Warren Automotive's financial reporting, which, without limitation, includes:
    - (i) reviewing the suitability of Peter Warren Automotive's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
    - (ii) assessing significant estimates and judgements in financial reports; and
    - (iii) assessing information from the external auditor to ensure the quality of financial reports;
  - (f) in relation to the entry into, approval or disclosure of related party transactions (if any);
  - (g) in overseeing Peter Warren Automotive's financial controls and systems; and
  - (h) to manage audit arrangements and auditor independence, including considering whether an internal audit function is required and, if not, ensuring that Peter Warren Automotive discloses the processes it employs to evaluate and improve its risk management and internal control processes.
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## 5 Reporting

- (a) The Committee will:
    - (i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities;
    - (ii) advise the Board in a timely manner of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon Peter Warren Automotive;
    - (iii) provide a verbal report and, as appropriate, make recommendations to the Board after each Committee meeting on material matters dealt with by the Committee; and
    - (iv) as and when appropriate, seek direction and guidance from the Board on audit, risk management and compliance matters.
  - (b) .
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## 6 Preparation and presentation of financial statements and reports

The Committee will:

- (a) after review with management and the external auditor, recommend to the Board the half year and full year financial statements, the preliminary financial reports to be lodged with ASX and all related financial reports and statements, and whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them;

- (b) review representation letters to be signed by management to ensure that all relevant matters are addressed;
- (c) discuss matters raised by the external auditor as a result of their work;
- (d) assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts;
- (e) review the appropriateness of the accounting judgements or choices exercised by management in preparing the entities financial statements;
- (f) ensure that appropriate processes are in place to form the basis upon which the Chief Executive Officer and Chief Financial Officer execute their certifications under section 295A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) to the Board at financial half year and year end; and
- (g) ensure that the process taken to verify the integrity of the content of any periodic corporate report Peter Warren Automotive releases to the market that has not been subject to audit or review by an external auditor, is disclosed.

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## 7 Financial controls and systems, risk management strategy, policies, procedures and systems

- (a) The Committee will oversee the adequacy and effectiveness of Peter Warren Automotive's corporate reporting processes, financial controls and systems, oversee the risk management function (as detailed below) and evaluate the structure and adequacy of the group's insurance coverage periodically.
- (b) The risks faced by Peter Warren Automotive may include regulatory and compliance risk, investment risk, legal risk, cyber risk, data and privacy risk, economic risk, environmental risk, social risk, occupational health and safety risk, financial risk, reputation risk, operational and execution risk and strategic risk.
- (c) Responsibility for risk management is shared across the organisation. Key responsibilities include the following:
  - (i) The Board is responsible for overseeing the:
    - (A) establishment of and approving Peter Warren Automotive's risk management framework (for both financial and non-financial risks) including its risk appetite, strategy, policies, procedures and systems ; and
    - (B) disclosure of any material exposure that Peter Warren Automotive has to environmental or social risks and how Peter Warren Automotive intends to manage those risks; and
    - (C) Disclosure of material risks in the annual report.
  - (ii) Peter Warren Automotive management is responsible for establishing Peter Warren Automotive's risk management framework, including identifying major or potentially major risk areas and developing Peter Warren

Automotive policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks;

- (iii) The Board has delegated to the Committee responsibility for:
  - (A) identifying major or potentially major risk areas;
  - (B) reviewing and monitoring Peter Warren Automotive's risk management framework to provide assurance that major business risks (including contemporary and emerging risks) are identified, consistently assessed and appropriately addressed. In addition, the Committee should undertake a review of Peter Warren Automotive's risk management framework with management (at least once annually) to satisfy itself that Peter Warren Automotive's risk management framework continues to be sound (including whether there have been any changes to material business risks and whether Peter Warren Automotive is operating within the risk appetite set by the Board). The Committee should ensure that the Board discloses whether such a review has taken place in Peter Warren Automotive's annual report;
  - (C) reviewing and recommending to the Board any changes to Peter Warren Automotive's risk management framework or the risk appetite set by the Board;
  - (D) considering Peter Warren Automotive's approach to occupational health and safety, economic, environmental and social risks, including the benchmarks Peter Warren Automotive uses to measure performance on issues of sustainability, diversity and climate risk and their achievements against those benchmarks;
  - (E) ensuring that risk considerations are incorporated into strategic and business planning;
  - (F) reviewing any material incident involving fraud or a break-down of the risk management framework and identifying "lessons learned";
  - (G) providing risk management updates to the Board and any supplementary information required to provide the Board with confidence that key risks are being appropriately managed;
  - (H) reviewing reports from management concerning compliance with key laws, regulations, licences and standards which Peter Warren Automotive is required to satisfy to operate;
  - (I) overseeing tax compliance and tax risk management; and
  - (J) reviewing any significant findings of any examinations by regulatory agencies.
- (iv) The Chief Executive Officer and Chief Financial Officer are to provide to the Board declarations in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

- (v) Each employee and contractor is expected to understand and manage the risks within their responsibility and boundaries of authority when making decisions and undertaking day to day activities.
- (vi) Reporting is an important part of the risk management function:
- (vii) It is the responsibility of the Committee to report to the Board about Peter Warren Automotive's adherence to policies and guidelines approved by the Board for the management of risks. This includes bringing to the Board's attention any instances where Peter Warren Automotive either has or may need to operate outside the current risk appetite set by the Board or where disclosure to the market might be required.
- (viii) The Chief Executive Officer and Chief Financial Officer are each responsible for reporting to the Committee on:
  - (A) any exposures or breaches of key policies, procedures or systems, or incidence of risks, where significant (including any material incidents reported under Peter Warren Automotive's Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Protection Policy);
  - (B) new and emerging sources of risks (including the risk controls and mitigation measures that has been or is being put in place by management to deal with those risks);
  - (C) any disclosure-related considerations; and
  - (D) proposed changes to Peter Warren Automotive's risk management framework.
- (ix) Risk issues will be identified, analysed and ranked in a consistent manner. Peter Warren Automotive will deal with risks in the following way:
  - (A) identify the nature of the risk;
  - (B) determine the seriousness of such risk, and who the risk is to be reported to;
  - (C) develop a risk mitigation plan;
  - (D) implement the risk mitigation plan; and
  - (E) monitor and report progress of risk mitigation plan.

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## 8 External audit

The Committee:

- (a) is responsible for making recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder ratification, as required), remuneration, monitoring of the effectiveness, and independence of the external auditor;

- (b) will discuss annually with the external auditor the overall scope and adequacy of the external audit and ensure the external auditor attends the Peter Warren Automotive AGM and is available to answer questions from security holders relevant to the audit;
- (c) must pre-approve all audit and non-audit services provided by the external auditor and will not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of Peter Warren Automotive. The Committee may delegate a pre-approval dollar limit to the Chief Financial Officer and authority to a member of the Committee to pre-approve amounts in excess of this between Committee meetings;
- (d) will approve and oversee compliance with the Company's Non-Audit Services Policy;
- (e) will advise the Board on statements to be made in the directors' report regarding non-audit services in accordance with the Corporations Act;
- (f) will annually request from the external auditor a report which sets out all relationships that may affect its independence; and
- (g) will review the procedures for selection and appointment of the external auditors and rotation of external audit engagement partner.

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## 9 Internal Audit

The Committee will:

- (a) review and make recommendations to the Board on the appointment or removal of the Head of Internal Audit;
- (b) review the scope and adequacy, and monitor the effectiveness of, the internal audit work plan; and
- (c) review and monitor the independence, objectivity and performance of the internal audit function.

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## 10 Communication

The Committee will establish procedures for dealing with complaints received by Peter Warren Automotive (including receipt, retention, and effective treatment of these complaints) regarding accounting, internal accounting controls, or auditing matters, and submissions by employees of Peter Warren Automotive, including anonymous submissions, of concerns regarding questionable accounting or auditing matters. All such employee submissions shall be treated as confidential. The Committee shall receive reports of evidence of any material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty and the Committee must report to the Board on any such material breaches.

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## 11 Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.
- (b) The Committee has access to:
  - (i) Peter Warren Automotive's management, to seek explanations and information from them;
  - (ii) internal auditors to seek explanations and information, without other members of Peter Warren Automotive's management being present; and
  - (iii) external auditors to seek explanations and information, without Peter Warren Automotive's management being present.
- (c) The Chief Financial Officer and company secretary shall have free and unfettered access to the Committee.
- (d) The Committee may seek professional advice from appropriate external advisers, at Peter Warren Automotive's cost. The Committee may meet with these external advisers without Peter Warren Automotive's management being present.

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## 12 Reviews and changes to this Charter

- (a) The Committee will review this Charter annually or as often as it considers necessary and recommend any changes to the Board for approval.
- (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

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## 13 Committee performance

- (a) The Board will, at least once in each year, review the membership 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.
- (b) The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

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## 14 Approval and Adoption

- (a) This Charter was last approved and adopted by the Board on **20 February 2024**.

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## 15 Document Version Control

#Version	Date	Supported	Approved	Key changes
1	6 April, 2021	-	Board	-
2	20 February 2023	ARMC	Board	Non-material changes to incorporate ASX Listing Rule and ASX 4 <sup>th</sup> Ed guidance and other minor editing and formatting changes.
3.	20 February 2024	ARMC	Board	Minor changes to align with current practice.