

Healthia Limited (the Company)

Audit and Risk Management Committee Charter

1. Purpose of the Charter

1.1 The Audit and Risk Management Committee (**Committee**) is a committee of the board of Healthia Limited (**Company**) (**Board**).

1.2 This Audit and Risk Management Committee Charter (**Charter**) sets out the role, responsibilities, composition and operation of the Committee.

2. Role

2.1 The primary function of the Committee is to discharge its responsibilities set out below in paragraph 3 and, in the course of doing so, assist the Board in the governance of the Company and to carry out the following:

- (a) review and monitor the integrity of the Company's consolidated financial reports and statements and associated compliance with legal and regulatory requirements, including accounting standards
 - (b) review and oversee systems of risk management, internal control and regulatory compliance within the Company and its subsidiaries (**Group**), including overseeing the process for:
 - (i) identifying significant risks facing the Group, and
 - (ii) implementing appropriate and adequate control, monitoring and reporting mechanisms, and
 - (iii) reviewing the Company's risk management framework at least annually to satisfy itself that:
 - 1. the Company's risk management framework continues to be sound;
 - 2. the Company is operating with due regard to the risk appetite set by the Board;
 - 3. the Company's risk management framework deals adequately with emerging risks
 - (iv) overseeing the policies and procedures for ensuring the Group's compliance with relevant regulatory and legal requirements and escalate to the Board any known breaches of these policies and procedures
 - (c) receive and review reports from management on any significant breach of or material derivation from the Company's risk management framework and make recommendations to the Board, and
 - (d) review the adequacy of the Group's corporate reporting processes, and
 - (e) liaise with and monitor the performance and independence of the external auditor.
- 2.2 The Committee has authority to:
- (a) investigate any activity within its Charter and any matters specifically requested by the Board; and

- (b) resolve any disagreements between management personnel of the Company (**Management**) and the external auditor regarding financial reporting.

3. **Responsibilities**

The responsibilities of the Committee include, but are not limited to:

3.1 **Corporate Reporting**

- (a) Review half-yearly and yearly financial reports and statements with Management and the external auditor (and, where appropriate, without Management present).
- (b) Review and make recommendations to the Board regarding significant financial, accounting and reporting issues.
- (c) Review the Group's corporate reporting and disclosure processes and the outputs of those processes.
- (d) Review the appropriateness of the accounting policies adopted by Management in relation to the financial reports and statements.
- (e) Receive representations and attestations from the Group Chief Executive Officer and the Chief Financial Officer including declarations by the Group Chief Executive Officer and the Chief Financial Officer about financial statements as recommended in the ASX Recommendations.
- (f) Review financial statements and reports for compliance with accounting standards and policies and other requirements relating to their preparation.
- (g) Assess whether the half-year and full-year financial reports are consistent with the Committee members' information and knowledge.

3.2 **External Audit**

- (a) Annually consider the appointment of the external auditor and, as required, consider the procedures for the selection and appointment of the external auditor and whether an audit tender process is required. Any recommendation to change the external auditor would require Board and shareholder approval.
- (b) Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
- (c) Consider and review the scope of work, reports and activities of the external auditor including interaction with internal audit to ensure that all material risks and reporting requirements are covered within the scope of the external auditor.
- (d) Review the findings of the audit with the external auditor, and monitor Management's response to reviews and recommendations of the external auditor (and, where appropriate, without Management present).
- (e) Establish and review policies as appropriate in relation to independence of the external auditor.
- (f) Assess the independence of the external auditor based on the information received from the external auditor and Management. In assessing independence, the Committee considers:
 - (i) the employment of former employees of the external auditor;
 - (ii) policies on the supply of non-audit services by the external auditor;

- (iii) the fees for audit and non-audit services provided by the external auditor on a regular basis;
 - (iv) the rotation of audit partners;
 - (v) the external auditor's own statement on independence; and
 - (vi) any other information from the external auditor setting out its relationships that may affect its independence.
- (g) Review the effectiveness of the annual audit and the performance of the external auditors taking into account the opinions of Management and internal audit.

3.3 **Risk Management, Internal Audit and Internal Control**

- (a) Review the Group's risk framework for identifying, monitoring and managing significant business risks across the Group and consider whether the enterprise risk framework and internal controls effectively identify areas of potential, material risk.
- (b) Consider the effectiveness of the Group's internal control system.
- (c) Consider any requirements for an internal audit function, and if required, review and approve the charter, annual audit plans and internal audit activities (and, where appropriate, without Management present).
- (d) Review the internal auditor's reports on significant findings and recommendations on internal control.
- (e) Monitor Management's response to reviews and recommendations of the internal auditor regarding internal control systems and procedures.
- (f) Review the adequacy of resources and governance arrangements of an internal audit function.
- (g) Review the performance, objectivity, independence and effectiveness of an internal audit function.

3.4 **Insurance Program**

Review the Group's insurance program at least annually having regard to the Group's businesses and the insurable risks associated with the Group's businesses.

3.5 **Compliance**

- (a) Review the Group's framework for identifying, monitoring and managing compliance with applicable laws and regulations.
- (b) Review regular reports from Management in relation to the Group's compliance with its statutory and other key obligations and matters arising.

4. **Composition and Operation**

- 4.1 The members of the Committee and the chair of the Committee (**Committee Chair**) are appointed by the Board.
- 4.2 The Committee will consist of at least three members all of whom are non-executive directors. The majority of members, including the Committee Chair, must be independent directors. The Chair of the Board may not chair the Committee.
- 4.3 Each member must have a working familiarity with general finance and accounting practices. At least one member of the Committee must have accounting or related financial management expertise.

- 4.4 The Committee will meet at least four times per year, or more frequently as required. The Committee Chair will call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chair of the Board.
- 4.5 A quorum shall be any two members or any greater number determined by the Board.
- 4.6 The Committee may delegate authority to subcommittees of the Committee.
5. **Access and Advisers**
- 5.1 The Committee has unrestricted access to all records and staff of the Group (including internal auditor (if any) and the external auditor without Management present) and has the right to seek explanations and additional information from Management and auditors.
- 5.2 As necessary or desirable, the Committee Chair may invite members of Management, internal auditor (if any), representatives of the external auditor and / or other external advisers to be present at meetings of the Committee.
- 5.3 The Group Chief Executive Officer, CFO and the Company Secretary will normally be invited to attend meetings.
- 5.4 At least annually, the Committee will meet separately with each of the external auditor and internal auditor (if any) without Management present. For the purpose of supporting the independence of their functions, the external auditor and the internal audit leader (if any) have a direct reporting line to the Committee. The external auditor may also report to the Board.
- 5.5 The Committee may directly seek independent, professional or other advice as required to carry out its responsibilities.
6. **Relationship with other Group Governance Forums**
- 6.1 The Committee reports to the Board. Committee meeting minutes will be provided to the Board for noting.
- 6.2 The Company's non-executive directors who are not Committee members may attend Committee meetings.
- 6.3 The Committee will also provide reporting to other board committees and any subsidiary boards (as appropriate) on matters which have been delegated to it or which are relevant to those bodies. These reports may be verbal.
- 6.4 The Committee relies on reviews and confirmations from the external auditor, Management attestations, external audit review and / or subsidiary board review in considering the financial statements of Healthia subsidiaries. The Committee relies on reviews and confirmations from the external auditor and the internal audit leader (if any), together with Management attestations, in order to assist the Committee to carry out its functions.
7. **Review**
- 7.1 The Committee will review this Charter annually to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- 7.2 Amendments to the Charter, other than updates for branding or position titles, are to be approved by the Board.
- 7.3 The Committee undertakes an annual self-assessment of its performance to confirm that all activities listed in the Charter have been addressed, and reports this information to the Board.