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# **Audit and Risk Committee Charter**

Viva Energy Group Limited (ACN 626 661 032)

Approved by the Board on 20 December 2022

## 1 Role of the Audit and Risk Committee and its authority

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- (a) The Audit and Risk Committee (**Committee**) assists the board (**Board**) of Viva Energy Group Limited (**Company**, which, if the context requires, includes the Company's directly or indirectly wholly-owned subsidiaries) in fulfilling its responsibilities for corporate governance and oversight in relation to the matters set out in this charter (**Charter**). The purpose of this Charter is to specify the authority delegated to the Committee by the Board and to set out the role, responsibilities, membership and operation of the Committee.
- (b) The Committee is a committee of the Board established in accordance with the Company's 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. The Committee is accountable to the Board for its performance.
- (c) There is a separate Sustainability Committee charter that specifies the authority delegated to that committee by the Board and sets out the role, responsibilities, membership and operation of that committee.

## 2 Membership

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- (a) The Committee will comprise:
  - (i) only non-executive directors; and
  - (ii) at least three members, a majority of whom are independent directors.
- (b) The Committee will comprise members with the necessary technical, accounting and financial expertise, and all Committee members should be financially literate (ie able to read and understand financial statements) and have a sufficient understanding of the Company's businesses and the industries in which it operates, for the purpose of discharging the role of the Committee effectively and assessing and questioning information presented by management, by internal and external auditors and in Committee meetings.
- (c) The appointment and removal of Committee members is the responsibility of the Board, and membership of the Committee is as approved by the Board.
- (d) All Committee members must have the capacity to devote the required time and attention to prepare for and attend Committee meetings.
- (e) Committee members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment subject to the Committee meeting the relevant criteria established in paragraph (a) above.
- (f) The Board will appoint the chair of the Committee (**Committee Chair**). The Committee Chair must be an appropriately qualified independent non-executive director who does not chair 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 Company, their appointment as a member of the Committee is automatically terminated with immediate effect.
- (i) The Company Secretary of the Company or a designate will be secretary to the Committee (**Committee Secretary**).

### 3 Duties and responsibilities

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- (a) The Committee's key responsibilities and functions are to assist the Board in relation to the matters set out in this Charter. In particular the Committee's responsibilities are:
- (i) to oversee and review the Company's risk management framework at least annually, including its strategies, policies, procedures and systems for managing risk and their effectiveness, and to make recommendations to the Board in relation to such matters (see further section 4 below);
  - (ii) to review the Company's financial statements and reports prior to consideration by the Board to support the Committee's and the Board's assessment as to the integrity of the financial statements (see further section 5 below);
  - (iii) to oversee the Company's financial controls, systems and corporate reporting processes and make recommendations to the Board in relation to such systems, controls and processes;
  - (iv) to oversee the Company's process to validate that its annual directors' report and any other corporate reports it releases to the market are accurate and understandable and provide investors with appropriate information to make informed investment decisions (see further section 5 below);
  - (v) to manage the Company's external audit arrangements (see further section 6 below) and its internal audit function (see further section 7 below), and the independence of such functions;
  - (vi) to review the Company's entry into and the disclosure of related party transactions requiring shareholder approval (if any), which in relation to any proposed agreement for the provision of consultancy or similar services by a director or senior executive or by a related party of a director or senior executive, includes reviewing and making recommendations to the Board with respect to independent advice obtained by the Company in relation to such agreement, and the disclosure to be provided to shareholders on the material terms of such agreement; and
  - (vii) to oversee, and at least annually review, the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business, and review and assess the adequacy of the Company's insurances, including directors' and officers' liability insurance, and recommend to the Board the appropriate levels of insurance to be procured.

### 4 Risk management framework, procedures and systems

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- (a) The Committee will oversee the effectiveness of the Company's risk management framework. The risks faced by the Company may include regulatory and compliance risk, investment risk, legal risk, economic risk, environmental risk, social sustainability risk, occupational health and safety risk, financial risk, reputational risk, operational and execution risk and strategic risk.
- (b) Risk issues will be identified, analysed and ranked in a consistent manner, and the Committee will ensure that policies and procedures are in place which provide for risks to be dealt with by the Company.
- (c) The Company will disclose in its annual report or other public disclosures (as appropriate) whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.
- (d) Responsibility for risk management is shared across the organisation. Key responsibilities include:
- (i) the Board is responsible for overseeing the establishment of and approving the risk

management framework, including the strategies, policies, procedures and systems of the Company;

- (ii) management of the Company is responsible for carrying out the risk management function, including identifying major or potentially major risk areas and developing the Company's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks, and providing reports to the Committee 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;
- (iii) the Board has delegated to the Committee responsibility for:
  - (A) receiving and reviewing 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, and identifying major or potentially major risk areas and monitoring risk trends, including areas of increasing or decreasing risk, sources of risks and how organisational risks are being reported on the Company's risk register;
  - (B) reviewing the Company's business risk profile, considering whether they are in line with the Board's overall strategy and risk appetite and monitoring any significant changes to such risk profile to identify any impact on the annual audit plan;
  - (C) reviewing and monitoring the adequacy, integrity and effectiveness of the Company's risk management framework to provide assurance that major or potentially major business risks are identified, consistently assessed and appropriately addressed. Where circumstances dictate that the Company needs to operate outside of the current risk appetite set by the Board, the matter should be brought to the attention of the Board. In addition, the Committee will receive information from management and undertake a review of the Company's risk management framework with management (at least once annually) to satisfy itself that the Company's risk management framework continues to be sound and validate that the Company is operating with due regard to the risk appetite set by the Board, to determine whether there have been any changes in the material business risks the Company faces and to ensure that they remain consistent with the risk tolerance set by the Board;
  - (D) monitoring management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
  - (E) making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
  - (F) reviewing and monitoring the adequacy and effectiveness of the critical systems and internal control structures and systems, including information technology security and control;
  - (G) considering the Company's approach to monitoring risks, including the benchmarks the Company uses to measure performance on issues of sustainability and their achievements against those benchmarks;
  - (H) ensuring that risk considerations are incorporated into strategic and business planning, including whether business continuity and disaster recovery plans are in place and have been periodically updated and tested;
  - (I) 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;

- (J) reviewing reports from management concerning compliance with key laws, regulations, licences and standards which the Company is required to satisfy to operate;
  - (K) overseeing tax compliance and tax risk management;
  - (L) reviewing any significant findings of any examinations by regulatory agencies;
  - (M) reviewing reports on or material incidents involving litigation matters, fraud, break-downs of the Company's risk controls and the lessons learned from such break-downs, serious breaches of business conduct, thefts from the Company and disclosures and investigations under the Company's Whistleblower Policy and Anti-Bribery Policy and monitoring the Company's standards and procedures for detecting, reporting and preventing such matters; and
  - (N) assisting the Board in monitoring the Company's compliance with its legal and regulatory obligations and adopting and applying appropriate ethical standards in relation to the management of the Company and the conduct of its business.
- (iv) The Chief Executive Officer and Chief Financial Officer of the Company are to provide to the Board declarations in accordance with section 295A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and recommendation 4.2 of the ASX Corporate Governance Recommendations and Principles at financial year end and an equivalent declaration at the half-year financial period.

## 5 Preparation and presentation of financial statements and reports, and review of financial controls and systems

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- (a) The Committee will:
- (i) review and discuss with management and the external auditor:
    - (A) the half year and full year financial statements;
    - (B) the preliminary financial reports to be lodged with the Australian Securities Exchange (**ASX**); and
    - (C) all related financial reports and statements,
 including the appropriateness of accounting policies and treatments applied in the Company's financial reports, and including any significant, complex or unusual transactions and judgments made in connection with the preparation of the financial statements;
  - (ii) 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 the ASX and all related financial reports and statements;
  - (iii) review representation letters to be signed by management to ensure that all relevant matters are addressed;
  - (iv) discuss matters raised by the external auditor as a result of their work;
  - (v) review and discuss with management the key developments in relation to accounting, reporting and tax issues and their impact on the Company, including assessing the impact of changes in accounting standards and reviewing recommendations for adoption of such changes in the financial reports and statements;
  - (vi) review and discuss with management and the external auditor any correspondence with regulators and any published reports that raise material issues regarding the Company's

financial results and reports or accounting policies; and

- (vii) 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 to the Board at financial year end and an equivalent certification at the financial half-year end in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks.
- (b) The Committee will, in relation to the Company's financial reporting:
- (i) review the suitability of the Company's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
  - (ii) assess significant estimates and judgements in financial reports;
  - (iii) assess information from the external auditor to ensure the quality of financial reports; and
  - (iv) recommend to the Board whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them, including whether they reflect the understanding of the Committee of, and otherwise provide a true and fair view of, the financial position and performance of the Company.

## 6 External audit

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- (a) The Committee:
- (i) is responsible for reviewing and making recommendations to the Board on the appointment, reappointment, removal or replacement (subject to shareholder ratification, as required), remuneration, tenure, terms of engagement, effectiveness, performance and independence of the external auditor;
  - (ii) will review and make recommendations to the Board on the scope and adequacy of the external audit, including discussing annually with the external auditor the overall scope of the external audit and ensuring the external auditor attends the Company's annual general meeting and is available to answer questions from security holders relevant to the audit;
  - (iii) must review and pre-approve all audit and non-audit services provided by the external auditor (other than taxation services) 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 the Company. 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;
  - (iv) will review reports from the external auditor and discuss any significant findings and recommendations with the external auditor and management;
  - (v) will advise the Board on statements to be made in the directors' report regarding non-audit services in accordance with the Corporations Act;
  - (vi) will annually request from the external auditor a report which sets out all relationships that may affect its independence; and
  - (vii) will review and make recommendations to the Board on the rotation of the external audit engagement partner.

## 7 Internal audit

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- (a) The Committee will:
  - (i) in respect of the head of internal audit:
    - (A) approve the appointment, reappointment, removal or replacement of the head of internal audit prior to any such events;
    - (B) approve the remuneration, tenure and terms of engagement of the head of internal audit; and
    - (C) review the effectiveness and independence of the head of internal audit.
  - (ii) review and make recommendations to the Board on the objectivity and performance of, and potential changes to, the internal audit function, including its scope, activities, responsibilities, independence, resources, budget and staffing;
  - (iii) review and make recommendations to the Board on the scope and adequacy of the internal audit plan, including to ensure it covers all material risks and compliance with key policies and procedures as well as alignment with the Company's business risk profile, and endorse such internal audit plan;
  - (iv) review internal audit reports, including reports from internal audit on its reviews of the adequacy of the Company's processes for managing risk, and discuss significant findings and recommendations with the head of internal audit and management, and will monitor the status of actions being taken by management in relation to such findings and recommendations to ensure they are being addressed in an appropriate and timely manner; and
  - (v) review and advise the Board on any significant control breaches.
- (b) The head of internal audit will be:
  - (i) suitably qualified; and
  - (ii) given the right of direct access to the Committee Chair and chair of the Board and have a direct reporting line to the Committee, to bring the requisite degree of skill, independence and objectivity to the role.

## 8 Reporting

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- (a) The Committee will:
  - (i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities;
  - (ii) report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee;
  - (iii) advise the Board in a timely manner of any matters or recommendations requiring the attention of the Board, including audit, financial reporting, internal control, risk management and compliance matters, and will ensure that the Board is made promptly aware of any matters brought to the attention of the Committee that may significantly impact the Company; and
  - (iv) as and when appropriate, seek direction and guidance from the Board on audit, risk management and compliance matters.

- (b) Minutes of Committee meetings will be included in the papers for the next full Board meeting. All Committee papers and minutes of Committee meetings will be available for inspection by any director of the Company on request.

## 9 Communication

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

## 10 Meetings

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- (a) The Committee will meet as frequently as is required to undertake its role effectively but not less than four times per year.
- (b) The Committee may meet in private with either or both of the Company's Chief Financial Officer and external auditor at least once each year and at other times as considered appropriate.
- (c) A quorum for any meeting of the Committee will be at least two Committee members, either in person or via telephone, video conference or any other technology as considered appropriate by the Committee Chair.
- (d) Any Committee member or the auditors may request the Committee Secretary to convene a meeting of the Committee at any time. That request will be in writing and include an outline of the purpose for that meeting.
- (e) The Committee may invite any executive director, executive, other staff member, external auditor or any other person as it sees fit to attend all or part of a meeting of the Committee.
- (f) There is a standing invitation for all other non-executive directors to attend meetings of the Committee.
- (g) Unless determined otherwise by the Committee, there is a standing invitation for the Chief Executive Officer, Chief Financial Officer and head of internal audit of the Company to attend meetings of the Committee.
- (h) The Committee Chair is responsible for the conduct of all Committee meetings. Matters arising for determination at a Committee meeting must be decided by a majority of votes cast by the members present and entitled to vote on the matter.
- (i) The Committee Chair will not have a casting vote.
- (j) The Committee Secretary is responsible for distributing meeting notices, agendas and Committee papers to members prior to each meeting.
- (k) The proceedings of all meetings will be minuted by the Committee Secretary.



## **11 Access to information and independent advice**

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- (a) The Committee may investigate any matter that it is responsible for under this Charter and seek any information or advice it considers necessary to fulfil its responsibilities under this Charter.
- (b) The Committee has access to:
  - (i) the Company's management, to seek explanations and information from them to enable it to carry out its responsibilities;
  - (ii) the Company's books and records it requires to carry out its responsibilities; and
  - (iii) the external auditor and head of internal audit to seek explanations and information, with or without the Company's management being present.
- (c) The Chief Financial Officer and Company Secretary shall have free and unfettered access to the Committee.
- (d) Each Committee member may obtain independent professional advice at the Company's expense on matters arising in the course of their Committee duties, provided such advice is necessary or appropriate, after obtaining the Committee Chair's approval (or where the Committee member seeking such advice is the Committee Chair, after obtaining the approval of the chair of the Board). Whenever practicable, the advice must be commissioned in the joint names of the Committee member and the Company, and a copy of any such advice should be provided to the entire Committee. The other Committee members must be advised if the Committee Chair's approval (or approval of the chair of the Board, as applicable) is withheld.
- (e) The Committee has authority to reasonably require management or others to attend Committee meetings and to provide any information or advice that the Committee requires.

## **12 Reviews, changes to and publication of Charter**

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- (a) The Committee will review this Charter annually or as often as it considers necessary to ensure it remains effective and relevant to the current needs of the Company.
- (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.
- (c) The Charter will be made available on the Company's website.

## **13 Committee performance**

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- (a) The Board will, at least once in each year, review the membership and Charter of the Committee to determine their respective 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 year to determine whether it is functioning effectively by reference to current best practice. Such evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in this Charter.