



SCHEDULE 3: RISK AND AUDIT COMMITTEE CHARTER

PRIMERO GROUP LIMITED
ACN 149 964 045
(Company)

OBJECTIVES

- 1 The Risk and Audit Committee (**Committee**) has been established by the board of directors (**Board**) of the Company pursuant to article 8.9 of the Company's Constitution.
- 2 The purpose of the Committee is to:
 - 2.1 oversee, review and supervise the Company's risk management framework; and
 - 2.2 assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal control relating to matters affecting the Company's financial performance and the audit process.

AUTHORITY

- 3 The Committee has authority to:
 - 3.1 conduct or authorise investigations into any matters within its purpose;
 - 3.2 seek external advice or assistance, at the expense of the Company, including the appointment of consultants and independent external advice; and
 - 3.3 seek information and communicate directly with the Company's senior management, advisers, internal auditor (if appointed) and external auditor at any time.
- 4 The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

MEMBERSHIP

- 5 Members of the Committee shall comprise members of the Board appointed by the Board.
- 6 The number of members of the Committee shall be a minimum of two directors, all of whom shall, where practicable, be non-executive directors and, a majority of whom should, where practicable, be independent directors.
- 7 All members of the Committee shall be financially literate and the members of the Committee, between them, should have the accounting and financial skills and an understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.
- 8 The Board will nominate the Chair of the Committee from time to time. The Committee Chair will be, where practicable, an independent non-executive director who is not Chair of the Board.



COMMITTEE MEETINGS

- 9 The Committee will meet as often as the Committee members deem necessary to discharge its role effectively, but not less than two times annually having regard to the Company's reporting and financial audit cycle.
- 10 The Committee Chair shall convene a meeting of the Committee if required to do so by any Committee member or the Board.
- 11 A quorum of the Committee will comprise two members.
- 12 All members of the Board have a standing invitation to attend meetings of the Committee.
- 13 If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chair for that meeting.
- 14 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and any other person invited by the Committee to attend.
- 15 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 16 Each member of the Committee will have one vote. The Committee Chair will not have a casting vote. If there is a tied vote, the motion will be referred to the Board for resolution.
- 17 Following each meeting, the Committee Chair will report to the Board, at the next Board meeting, on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.
- 18 The Company Secretary shall co-ordinate the timely completion and dispatch of the Committee agenda, minutes and materials for each meeting. The minutes of each Committee meeting will, following preliminary approval by the Committee Chair, be circulated to the Board.

RESPONSIBILITIES

- 19 The responsibilities of the Committee are as follows:

RISK MANAGEMENT

- 19.1 making recommendation to the Board on the Group's risk management policy;
- 19.2 reviewing, at least annually, the overall adequacy and effectiveness of the Company's risk management policy and risk management framework including, risk strategies and risk assessment process and methodology;
- 19.3 considering any material emerging business risks facing the Company and the controls, monitoring and reporting processes put in place by management to manage those risks;
- 19.4 review any incident involving fraud or other material break down of the Company's internal;

FINANCIAL STATEMENTS

- 19.5 review the half-yearly and yearly financial statements and consider whether they are complete, consistent with information known to the Committee, reflect appropriate accounting policies and principles and otherwise



provide a true and fair view of the financial position and performance of the Company;

- 19.6 receive and consider in connection with the Company's half-yearly and yearly financial statements letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions;
- 19.7 reviewing significant accounting policies and making recommendations to the Board on significant changes to accounting policies;
- 19.8 accessing the appropriateness of significant accounting estimates and judgements or choices exercised by management in preparing the Company's financial statements;
- 19.9 review with management and the external auditors the results of the audit;
- 19.10 receive from the Company Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board approves the half-yearly and yearly financial statements;
- 19.11 making recommendations to the Board as to whether the Company's financial statements should be approved;

INTERNAL AUDIT

- 19.12 if there is an internal audit function:
- the scope, program, and resourcing of the internal audit function; and
 - reports of the internal auditor (if any) on material issues arising from their audits.
- 19.13 if there is no internal audit function, review of the need for an internal audit function and monitoring the adequacy of existing internal controls.

EXTERNAL AUDIT

- 19.14 establish procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- 19.15 review the scope and adequacy of the external auditor's annual audit plan (particularly the identified key risk areas) and any additional agreed-upon procedures;
- 19.16 review the findings and recommendations of the external audit, and management's response, arising from the external auditor's report;
- 19.17 review of the independence of the external auditor and their performance, considered on an annual basis;

CORPORATE GOVERNANCE

- 19.18 review of the Company's corporate governance statement, policies and practices implemented by the Company and oversight on how they are being communicated and followed, including the Company's compliance with ASX Listing Rules;



19.19 any material claims or issues which has occurred involving fraud or other significant breakdown on the Group's internal controls, including code of conduct, whistleblower and anti-bribery and corruption issues;

OTHER RESPONSIBILITIES

19.20 review the adequacy of external reporting by the Company to meet the needs of shareholders;

19.21 review of any material claims or issues in relation to taxation; and

19.22 review the adequacy of the Company's insurance policies.

REVIEW OF COMMITTEE AND COMMITTEE CHARTER

- 20 The Committee will review annually its activities and the manner in which it has carried out its responsibilities, and report to the Board on the outcome of the review.
- 21 The Committee will review at least every two years the terms of the Charter. The Committee may recommend to the Board any changes to this Charter. Any amendments to this Charter must be approved by the Board.